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4 May 1994

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***CENTRAL EURASIA***

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# FBIS Report: Central Eurasia

FBIS-USR-94-047

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4 May 1994

### RUSSIA

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## POLITICAL AFFAIRS

### Shakhray on Reform, Unrest, Russian Image

944K111A Moscow ARGUMENTY I FAKTY in Russian  
No 16, Apr 94 p 3

[Interview with Sergey Shakhray, deputy prime minister of Russia, by journalist Natalya Zhelnorova; place and date not given: "The Contradictions Have Already Been Revealed..."]

[Text] [Zhelnorova] Sergey Mikhaylovich, why, in your opinion, do we hate each other so much? What has happened?

[Shakhray] There is just one answer: There has been no universal brotherhood and love. Man's soul is an entire world. And we hate, remembering someone in a cloth cap at the market or with an assault rifle. But in that same soul there is also love for people of another nationality, for their culture and history. What Russians do not have, incidentally, is a recognition of themselves as a national great community. After all, there are 150 million Russians. And for this reason it is harder for us to consolidate as some national "ego." Tolerance of the ideas of other peoples is strong in Russian man. Russians are the sole nation not to have swallowed up all other nationalities, even the smallest. We looked for the same attitude, naturally. And national unity with us emerges only as a necessity, as a blow in retaliation for a threat.

[Zhelnorova] But what is happening now? Russians in the role of social odd-men-out outside of Russia. Russian soldiers fighting for the sake of others' interests and dying on the territory of the former Union republics. And the "great nation," which should be displaying concern for its fellow citizens, is essentially betraying them. People do not feel that there is a native state which is defending them. You, as a minister, more, deputy prime minister, what are you doing to ensure that Russians recognize that they are protected?

[Shakhray] This is what I am working for. At the diplomatic level within Russia I have sought to ensure and will continue to seek to ensure that Russia, as the successor of the Union, bear responsibility for all people carrying the passport of citizen of the USSR. Not simply in spirit—the sense of blood and kinship—but legal responsibility. It is a question of the conclusion of treaties and agreements on citizenship and on aid to Russians who live in other countries. The delivery of humanitarian freight. The settlement of interethnic conflicts, which is saving the life of Russian people. Finally, we will adopt a program of their reconstitution and settlement in Russia. For this work to be effective, not only in the form of intentions, we need to revive Russia as a powerful state.

[Zhelnorova] This will take some time. They are living today. And suffering today.

[Shakhray] Your question presupposes that some people are sitting on a moneybag and not giving money to Russians.

[Zhelnorova] You represent the authorities. Both party and state. You should, therefore, be prepared to bear responsibility for all that happens. Many people were unaware that in switching from one economic system to another we had to negotiate an era of cynicism. Crime is on the rise, morality is declining, wealth is being exported from the country. You here, behind these strong walls, are less aware of this, perhaps; we, however, find ourselves beneath a barrage of grievances and disappointments. People hate both you and us for the fact that we are not, allegedly, showing the real picture. They are asking: Who do we believe, on whom do we pin our hopes?

[Shakhray] I personally believe that our news media are "exposing and revealing" by force of inertia. Only those who are shooting, blowing up, and burning are being shown on the screen. People are already tired of this. But what is the greater cynicism: what is happening now in open form or what was for decades driven inward and has, as a result, exploded? Where has the lack of faith come from? At one time we were building communism, then, developed socialism. People of the 1920's-1940's went on believing everything.... And by the 1960's-1970's did not believe in anything. This is where the roots of our cynicism lie. Nothing with us is sacred. Religion, spirituality, and culture were eradicated, and nothing was given in exchange. And now added to this are the problems of the transitional period.... We are moving from one era to another. And the lancing of the abscess could either be cleansing or will lead to gangrene.

[Zhelnorova] You take offense at us showing scenes of violence. This, of course, jars on me also, as an average person. But the journalist cannot, after all, remain silent about the fact that children, playing near entrance ways, die as the result of the detonation of automobiles containing some "stern" uncles. Children are being abducted and sold, people are demanding money for them. Is there in Russia no force capable tackling this insane crime?

[Shakhray] The authorities and the state still have to be created. Society has been left to its own devices. Thank God that the force of inertia is strong in our society, that Russian man could not give a damn. Where are the authorities? There are none—understand this. An agonizing process of recovery or extinction is under way. Recovery, I hope. It was so that there be order in this society and so that the individual and his family be protected that society invented the state and authority. But we have still a long way to crawl before we reach this.

[Zhelnorova] Society to crawl or the authorities?

[Shakhray] Society. There are no authorities without society.

[Zhelnorova] You mean that society will have a long time to wait while there is a change in political elites?

[Shakhray] Not simply a change—a war—of elites—economic and political. And there will be such until these groupings share property. And they will either destroy one another in this war or will reach an understanding. Why are people being killed and automobiles being blown up? Because the elites are at war with one another. Because society has no mechanisms for resolving such conflicts in civilized ways.

[Zhelnorova] And what about on the inside—THIS is approaching an end or not? Everyone has obtained what he wanted or not yet?

[Shakhray] The contradictions have already been revealed, in any event. As always, there has in Russia been a noncoincidence in terms of phase: Society wants transformations, the authorities are not prepared for this. Social revival and renewal peaked in the period 1987-1989, but the authorities missed it. This curve of social assertiveness has now turned down, and the curve of arousal of the authorities, up. Whence the conflict. The restoration of authority and order cannot now rely on public forces. The utter apathy at the last elections was evidence that authority can no longer be revived at referenda. That's it, gone. These elites fighting one another have now been left to their own devices. We need now to pray and to work. While there is a parliament, a president—their interests are known.

There are now no incidental votes, no incidental documents, believe me. The situation is heating up, and all parties need to sit down at the negotiating table. Because if these elites, God forbid, switch to a war with weapon in hand, society will suffer. And a new wave of clarification of relations will begin. The tragedy of our society is that political and economic groupings whose power is based on exports and the groupings whose financial and economic power is based on industry, on native technology, have different political signs. Conditionally speaking, some are democrats, others, communists.

[Zhelnorova] Was it worth having this whole "perestroika" and all the demonstrations and congresses to clear the way for new power-lovers....

[Shakhray] We have to find parallel levers of influence. This is why parties are being formed, to assemble forces in the face of danger. The concept of civil reconciliation was created for this also, so that not only the senile and idiots sit at the table. Although both those who manipulate them and those who are standing behind them with money and with their own interests will sit at the table, all the same.

So a shareout has taken place, not everyone is happy with what he has received, but if the shareout continues, this will mean simply war. We have now approached the line at which we need to agree: 30 percent for you, 30 percent for him, and so forth. And, with regard to this

division of property and power, to start to live peacefully. This is what the concept of civil reconciliation amounts to.

[Zhelnorova] And what, then, in your opinion, will everyone agree?

[Shakhray] For many of them, inasmuch as they are actual proprietors, there is no other way. Otherwise, open confrontation and, as a result, a chance to suffer and lose everything.

[Zhelnorova] It has been the case that many questions of regional and national policy have been decided without you. Is this becoming the norm?

[Shakhray] It is not a question of me but of the general chaos. The federal institutions of power should, particularly in respect to the regions, operate in concerted fashion. I have attempted to achieve this. And I have been more or less successful. People harbor illusions: It seems to them that another's problem is easy to resolve. But this proves not to be the case.

[Zhelnorova] You are not afraid for your life?

[Shakhray] I am, of course. I have two small children. A politician has to be afraid. I have no accounts in banks overseas. Nor do I have any relatives there. I live here and make policy here. This is how it should be.

[Zhelnorova] What do you fear most?

[Shakhray] That the self-preservation instinct and common sense will cease to operate in society.

[Zhelnorova] What might operate in place of this?

[Shakhray] An emotional outburst of hatred. An attempt to resolve all our problems at a stroke. The most important thing the authorities must do is to speak with people honestly. People are tormented not only by prices, crime, housing. The main thing is the unknown, the unpredictability. Everyone is now expecting of the authorities calm and peace, therefore.

[Zhelnorova] Do you consider yourself a person with power?

[Shakhray] I consider myself a person with authority. The functions of authority are sometimes very close to the functions of power. I believe that no one has power with us at this time.

#### Shakhray on Eurasian Union

944F0595B Moscow *OBSHCHAYA GAZETA* in Russian  
No 14, 8-14 Apr 94 p 1

[Interview with Sergey Shakhray, leader of the Party of Russian Unity and Accord and minister for nationalities affairs and regional policy, by Vitaliy Yaroshevskiy; place and date not given: "The USSR Will Not Be Restored by Pushing Buttons in Parliament"]

[Text] [Yaroshevskiy] When visiting Moscow, Nursultan Nazarbayev called into doubt the effectiveness of the CIS, advancing the idea of the Eurasian Union. In purely chronological terms, you made your proposal thereafter. At issue is the "Eurasian confederative agreement." Did Nazarbayev's pronouncements give it an impetus, or did this idea mature in parallel?

[Shakhryay] I take pleasure in yielding political priority to Nursultan Abishevich; I respect him as a politician who knows how to take a long-term view. As far as the legal, organizational aspect of the issue is concerned, I prepared the draft of a confederative agreement by April 1992. Everyone understood that the formation of the Commonwealth of Independent States in December 1991 amounted to preventing a spontaneous breakup of the USSR, which was fraught with great trouble, the beginning of integration on new principles, along new lines, rather than an act in divorce proceedings.

The thrust of my draft is not to disband the CIS but rather to create a confederative nucleus of three to four countries within the Commonwealth of Independent States.

The topic of a confederation was a component of our election platform. In April 1994 I revisited this idea, proposing this time a specific draft confederative agreement which I released and officially introduced in the State Duma.

To me this topic also has a moral dimension in conjunction with the charges concerning my participation in the Belovezha negotiations. Incidentally, on the issue of breaking up the USSR.

The USSR was a mighty state, was it not? Of course, it was a nuclear power, a world power. However, another question is also proper: Could a truly mighty state be broken up by three persons—Yeltsin, Shushkevich, and Kravchuk—in the woods, under KGB supervision? The answer is obvious—it could not!

Two points are fundamental to me: The Belovezha agreement was not the beginning of the collapse of the USSR, but the completion of a quite protracted and tragic period of the destruction of the state; the formation of the CIS was the first stop on a long path toward economic and political integration. It is impossible to restore the Soviet Union by pushing buttons in the parliament. There is only one path toward the future—from the CIS toward the Confederation as a voluntary union on an equal footing with Eurasian states on the principles of economic integration. There is no alternative.

The confederation would continue the political sovereignty and independence of the states belonging to it and would be created to achieve common goals. For the

states of the former Union, this is primarily economics, our Common Market if you will, in which after a while the free movement of goods, services, and capital will be guaranteed.

Collective security and the coordination of certain foreign policy actions would be the second goal of the confederation. The preservation of minimum sociocultural relations, insurance, retirement benefits, and so on would be the third goal.

It appears to me that the idea of integration is even somewhat overripe now. The elections in Ukraine and Moldavia [Moldova] indicate this.

[Yaroshevskiy] At present, everybody is "fixated" on the idea of reunification—national-chauvinists, fascists, and democrats alike.... Nonetheless, there are two approaches—frantic and balanced. What is your vision of the position of the democrats, of the democratic movement?

[Shakhryay] The destruction of the Union is a grave psychological trauma associated not only with the loss of territory or the fact that 25 million Russians have ended up beyond the borders of Russia. For many people this is also a personal tragedy because the Russian people, Russians, always perceived themselves within a specific state. This is, if you will, the sense of great statehood. It is possible to exploit the self-awareness of the Russians and restore the one and indivisible Rus within the borders of 1975, 1913, or any other year.

This is the forcible and bloody path of Vladimir Volkovich.

Voluntary integration on an equal footing is the second path. The confederation is precisely a legal form for such integration.

[Yaroshevskiy] Your idea of a confederative structure appeals to common sense. The ideas of, say, Zhirinovskiy and his ilk are designed for emotions. Are you confident that common sense will prevail this time? Are you not afraid of major interethnic clashes? Many people have a preference for feelings; they could not care less about what the confederation is.

[Shakhryay] You are absolutely right; this is why I say that we are even being late with the confederation proposal because time and painstaking work are necessary for common sense to win out whereas a fraction of a second suffices for an emotional outburst. However, we should keep it in mind that an attempt at forcible integration would be yet another attempt to turn the Russian people inside out.

[Yaroshevskiy] Each historical period brings forth its own political leaders. There was a parade of sovereignties, there were people who exploited this very social condition. The spontaneous craving for unification is

strong at present. Are we right to surmise that the forthcoming replacement of the current political leaders is predetermined by the striving of the people toward some kind of community?

[Shakhrai] If upwards of 80 percent of the population are in favor of integration but politicians are against it, such politicians will not have a future. Their stubbornness is fraught with conflicts, societal breakups, and clashes.

Let us conduct a referendum on unification in Ukraine, Belorussia [Belarus], Russia, and Kazakhstan. I think that not one sober-minded person has doubts about the outcome of such a referendum. Perhaps we should not spend tens of billions to hold it, but actually solve the problem of integration.

[Yaroshevskiy] Could you give us examples of those in favor of and against your proposals?

[Shakhrai] The response of political leaders is known in part: Nazarbayev supported it; Akayev supported it; the largest faction in the Belarussian parliament welcomes the idea of the confederation. We have proposed to establish an international group for refining our draft. The Party of Russian Unity and Accord is appealing not only to the leaders of states but also to the public, political parties, movements and deputies who come out in favor of integration on the basis of common sense, on the basis of voluntary participation and equal rights. That is to say, we are trying to create a critical mass that will prevent violence under the guise of unification from spreading like a forest fire.

[Yaroshevskiy] How will the State Duma respond?

[Shakhrai] The LDPR [Liberal-Democratic Party of Russia] will come out categorically against, and I will view this as proof that we have taken a very serious and timely step.

I think that Russia's Choice and Apple will take a moderately favorable position. They will respond favorably because no sober-minded politician will come out against integration or civic peace. They will respond with moderation because there are objective difficulties and obstacles on the path toward integration. I think that support can be expected from a segment of the Communist faction and some agrarians, the New Regional Policy group. We hope to gain support from other associations, too. Therefore, there should be more allies than adversaries. In all of this, I am prepared to give up the authorship if the name "Shakhrai" irritates someone. This is why I propose to establish a working group. Let the idea itself work.

### Populace Surveyed on Type of Government

944K1114A Moscow ARGUMENTY I FAKTY in Russian  
No 16, Apr 94 p 1

[Unattributed article under the rubric "Sociological Poll": "Democracy or Dictatorship?"]

[Text] *The International Institute of Marketing and Social Research GFK-Rossiya conducted a poll of the population in 110 cities and 66 rural population points. It questioned 2,000 people.*

The study showed that 50 percent of the population were in favor of a democratic form of rule, sharing the opinion that in any case democracy is better than dictatorship. Another 27 percent think that under certain conditions dictatorship can be better than democracy. It makes no difference to the remaining 23 percent whether they live under a dictatorship or democracy.

Fifty percent are against restoring the communist system.

Nineteen percent said they would "rather not," 15 percent—"categorically yes," and 16 percent said they would "rather have it than not."

While there is great universal confidence in the army, the version of a military dictatorship does not attract our people either. The balance here is 85 percent "no" and 14 percent—"yes."

The idea of restoring the monarchy is not popular at all either: "No"—87 percent and "yes"—11 percent.

The idea of not a parliament and elective organs but a strong leader who can quickly implement decisions is extremely popular: "Yes"—63 percent and "no"—36 percent.

Even more popular is the idea of an independent "government of experts" who are not involved in politics: "Yes"—71 percent and "no"—28 percent.

Thus hopes are placed either in a "wise government" of specialists who do not participate in political disputes or in a strong authoritarian individual.

Can we expect that our new political system will eliminate all its "growing problems" or should we replace it with another one if it does not produce good results in the near future? The opinion of Russians was divided almost equally: 49 percent and 51 percent.

So far our compatriots are not ecstatic over the existing political system. Only 9 percent say that their expectations related to the change of the political system were justified; 42 percent were more disenchanted and another 26 percent were extremely disenchanted because they expected more; the remaining 22 percent expected nothing good from the change of political system from the very beginning.

**Presidential Mailbag: Letters to, Answers From Yeltsin**

944F0584A Moscow ROSSIYSKIYE VESTI in Russian  
15 Apr 94 p 2

[Letters to and replies from President Yeltsin under the heading "From the President's Mail"]

[Text]

Dear President of Russia:

I am the wife of Captain 1st Rank A.G. Ushakov, commander of the nuclear submarine cruiser Kasatka.

You visited this nuclear cruiser, dear Mr. President, in Severodvinsk in April 1992, and presented my husband with the personal watch of the first president of Russia for achievements in utilization of new technology; my husband was also presented with a video film of your visit to the nuclear submarine, in which my husband accompanies you. This is a tremendous treasure and souvenir for our entire family: parents, children, future grandchildren and great-grandchildren. We will remain grateful to you for the rest of our lives, and I have always been proud of my husband—for he was the one to be granted the honor of playing host to the first president of Russia.

Forgive me for taking time, dear Boris Nikolayevich, from your state affairs, but I am compelled to appeal to you personally, since for three years already my husband has been unable to resolve the problem of continuing his military career—meaning our life as well—through the proper channels.

Here is the substance of the matter. My husband—the commander of submarine cruiser Kasatka, Captain 1st Rank Aleksandr Grigoryevich Ushakov, is 42 years old; of these, he has served 25 years in the Russian Armed Forces. He graduated with honors from the Imeni Leninskogo Komsomola Higher Navy School; has been given government awards; has served all his conscious life on nuclear submarines in the Northern and Pacific Fleets; is the only submarine commander in Russia who has received an award personally from the president; has glowing character references for the next career transfer from Rear Admiral Salnikov, commander of the Belomorsk Navy Base, and Rear Admiral Motsak, chief of staff of the Northern Fleet nuclear submarine group. My husband's submarine also was personally inspected by the Pacific Fleet commander, Admiral Gurinov, and this inspection resulted in an article-review in the fleet newspaper, which I enclose. For 1993, my husband received a commendation from the Pacific Fleet submarine group commander, Vice Admiral Komaritsyn.

For three years already my husband has been unable to get a career transfer to a training center. The training center commander, Rear Admiral Yamkov, has all the aforementioned references given to my husband by his immediate superiors, but nevertheless does not want to resolve the matter in our favor. As a civilian, I do not

understand why. Especially considering that we are not being given the reasons for the rejection. Who then is worthy of teaching submariners? I think my husband has earned this with his 25-year impeccable service to our Fatherland.

Boris Nikolayevich! I apologize once again and appeal to you as a godfather of our family. Not everyone in this life happens to come upon such happiness and trust. Please help us, and I will pray to God for you, Boris Nikolayevich, for the rest of my life.

I would like to hope for a positive and quick resolution of our problem.

With my deep respect for you,

[Signed] Nadezhda Vasilyevna Ushakova  
Petropavlovsk-Kamchatskiy  
8 February 1994

Dear Nadezhda Vasilyevna:

Your letter unwittingly reminded me of the time I spent in the city of Severodvinsk, and the unforgettable meeting with our Navy personnel, including your husband. They are courageous, brave people of great fortitude! They have been and will provide steadfast support of our Fatherland. It is our duty to do everything possible so that their daily difficult, demanding service always receives the proper appreciation of the state, whose borders they protect.

Now about your request. There are certain procedures for transfers and promotions in the Army and Navy. Since we are building a law-based state, no one has the right to violate these procedures. Including the president of Russia. Therefore I advise your husband to once again petition the appropriate competent organs on the subject of a transfer to Obninsk to continue his service there. I hope you will understand me properly.

[Signed] B. Yeltsin

Boris Nikolayevich, when you come home from work and sit down with your family, please read these lines.

On 29 January we, a group of elderly women who survived the blockade, decided to gather for a home party. We baked *pirzhki*, made salads, and quickly had the table filled. We remembered the war, the blockade, cried a little, sang wartime songs. Life is not all that bad here—you see, we found enough food and many kind words, and most importantly, we still have hope and are waiting for better life.

On 27 January I was at a concert in October Hall. I came back very impressed, wrote these lines and read them to my blockade comrades. They told me to send them to you, with the hope that you will read them. I was at the concert in October Hall the day the president visited our city. First he visited Piskarevskoye cemetery, and in the evening came to October Hall. He sat in the stalls. During the intermission he left, and everyone who stood

by the aisle tried to tell him something. When he approached them, I decided to shake his hand and said a few words, too: "We believe in you, Boris Nikolayevich, so protect our Russian people, just as we defended and held against the enemy our home city of Leningrad during the grim days of the blockade." As I was saying these words I had a vision: There was a fairytale mighty warrior standing there, I reached out, and he shook my hand. And in this handshake I felt the mighty force, and the pure, Russian soul. You carry such a burden, our people's president! So many dark clouds have gathered over your head! So rise to your full height, straighten your shoulders, and blow with your mighty force, disperse these clouds and open the way to warm, life-giving sunlight for us. Squeeze in your mighty fist all the darkness—and with such force that when you open your fist there would be only purity left there, and hope, and faith in the light and happiness. Maybe not for us, but at least for our children—open a clear, light road for them.

I am a native Leningrader, I lived through the blockade, and I have worked for 45 years; I now am raising my granddaughter, instilling in her all the goodness, honesty, and love for people and the motherland.

I am sending you my poem:

#### WAR

It knocked on our doors, Not even knocked but broke in,  
Broke in as an uninvited guest, Bringing all the horrors  
with it. It was then when I saw through a child's eyes All  
the horrors of war, And hunger, and exploding shells,  
And I heard the cry Of my own land, Pleading: Do not  
let, my people, Do not let the fascists trample me. And  
the people rose then And defended you, our land. So let  
us honor those Who are now buried in it And those who  
lived.

[Signed] Vera Ivanovna Amelina, St. Petersburg

Dear Vera Ivanovna:

I sincerely thank you for the letter filled with your noble feelings for Russia, its leadership, and the policy it conducts.

Your heartfelt letter is especially touching because it is written by a woman who survived the blockade and the horrors of wartime hardship. They are eloquent confirmation of the fact that the course of socioeconomic reforms being implemented in the country finds support among broad population strata, despite the temporary difficulties many Russians are encountering. This support lets us look to the future with optimism, and prompts us to double, triple the efforts of rebuilding society in the name of the well-being of the Fatherland and all its citizens.

I wish you and all your loved one health and success, dear Vera Ivanovna.

[Signed] B. Yeltsin

To President of the Russian Federation B.N. Yeltsin.

Dear Boris Nikolayevich:

Almost two months have passed since the day of the elections to the Federal Assembly and adoption of the Constitution of the Russian Federation—enough time to have conducted a deep analysis and drawn correct conclusions from this extraordinary event.

In this letter, addressed personally to you, I want to touch on just one issue, which in my opinion is of great importance both for the past and future elections, which are not too far away; we have to start preparing for them now, today, or maybe we should have begun yesterday.

What I have in mind is a voters committee, without which no elections are possible; both the practical experience and your high praise of the fruitful activities of the Volgograd Voters Committee last year tell us this.

The Volgograd Voters Committee, whose goal was to assist citizens in carrying out their constitutional right to participate in the management of state and public affairs through an effective democratic electoral mechanism, was officially registered in November 1992, although its practical work in our city and oblast began much earlier.

Over this time the voters committee has accomplished a lot in forming a high political culture of voters, as called for by the modern democratic process in our country; it coordinated the work of its component groups and units and integrated their activities with the activities of other public organizations and structures; monitored compliance with the Law on Elections, observance of electoral procedures and suppression of their violations; developed recommendations for an improvement of electoral system on the basis of analysis of public opinion; conducted information and propaganda events which facilitated the realization of voters' rights; and increased the numbers and political activism of voters.

In addition, the Volgograd Voters Committee conducted a broad propaganda campaign in labor collectives and at voters' places of residence aimed at bringing them into socially useful political activities; in helping labor collectives, public organizations, and citizens to conduct the entire range of election campaigning, it actively used in its activities information and propaganda flyers and posters, methodological materials, and created its own mass media—and quite effective at that.

It should also be noted that the Volgograd Voters Committee supported in every way the voters' initiative aimed at improving the electoral system; helped ensure voters' direct influence on the direction and nature of activities of elected bodies, and promoted glasnost in the work of electoral commissions, making public the relevant administrative instructions and statutes on election matters; fought to ensure equal opportunities in the conduct of the electoral campaign for all candidates to elected bodies of authority, and observance of legal and ethical norms of political competition; and ensured

public control over setting the necessary organizational conditions for voters to recall and re-elect elected representatives.

Over the time of its operation the Volgograd Voters Committee became an authoritative organization, to which residents of Volgograd and the oblast turned with all sorts of questions: legal, social, economic, political, ecological, pedagogical, cultural, and so on; it was especially true during the election campaign, when it was arranged to have someone on duty at all times, including on weekends.

The reasons people came to us varied: questions, consultations, complaints, concerns, petitions, requests for concrete practical assistance, and so on.

There were also different categories of people who turned to the voters committee. Employed and unemployed, housewives, pensioners, farmers, Cossacks, and single mothers—especially those who had been abandoned by their husbands, leaving the children without alimony.

Unwed mothers at least get some help from the state; women, however, who have been legally married and then abandoned by irresponsible husbands do not get any assistance for their children either from the state or from the former husbands, since it is practically impossible to extract alimony from them. There are a great many such women, and they ask you to issue a special edict on protection of their rights and the rights of their children.

Unfortunately, too few young people came to the voters committee. Now it is clear why young people were so unwilling to participate in the election campaign. We have many political parties, and all of them first and foremost want power, while no one works seriously with the youth, or takes their interests into account. This is a very sad but real fact.

In the past each residential building in the city was assigned to an agitator from some or other organization; now this is longer the case, and voters sometimes do not know who to vote for, where to vote, how to vote, and even when to vote. All this, and many other things, negatively affect the course, and especially the results, of elections.

All this and a lot of other work could be done by a permanently functioning voters committee with a staff of several people.

There is no money, however, in the city and oblast to support such a committee, and nobody wants to try to find any. The Volgograd Voters Committee is not functioning now for one and only one reason: There is no money.

Both state and public organizations in the city do not deny the importance of the voters committee, but nobody will undertake financial support of it; as a result, the voters suffer.

In the past, when we had soviets, sometimes people could get help there from the commissions for protection of citizens' rights. Now there are no soviets and no commissions either. As they say, they threw the baby out with the bath water. Some time in the future analogous commissions will undoubtedly emerge in the dumas, but so far they have not, and the voters committee could be of great help to the people during this important and difficult period.

Based on the above, I ask you to take personal part in aiding the Volgograd Voters Committee, and perhaps also voters committees in other regions in Russia—first and foremost those that have already shown themselves well during the recent elections to the central and local bodies of authority.

The issue at hand is maintenance of just several staff persons; it is not a great expense, and it pays off many times over; you know this very well, since last year you personally congratulated the Volgograd Voters Committee on its successful work in the conduct of the election campaign.

If you now provide the needed help to our voters committee, it will certainly do everything to make the upcoming elections a success; the future fate of Russia is predicated on this, the fate of its long-suffering people, who expect from you more changes toward a better life.

[Signed] Labor Veteran B. Orlov  
Volgograd

Dear B.S. Orlov:

I value very highly the work of the Volgograd Voters Committee, which you described in your letter. I see the creation and functioning of such independent public organizations both as a form of manifestation of true democracy and as one of the methods of developing it, aimed at assisting all citizens in the realization of their constitutional rights and developing high political culture among the voters.

Unfortunately, the state is currently unable to financially assist voters committees, which, along with Volgograd, exist in other cities of Russia as well. The national leadership is counting on their activities being carried out on a volunteer basis, while the lack of material incentives is more than compensated for by moral dividends—the knowledge that you are a direct part of realization of a high goal: the restoration of Great Russia.

I wish you success in this difficult endeavor.

[Signed] B. Yeltsin

To the President of the Russian Federation Boris Nikolayevich Yeltsin

Dear Boris Nikolayevich:

We, veterans of the Great Patriotic War, armed forces veterans, and wartime labor veterans of St. Petersburg, are writing to you with a very important request and some proposals.

Boris Nikolayevich, the people who bring this plea to you have gone through severe trials in combat and battles for the Motherland, the Fatherland, trials that have befallen internationalist soldiers, and wartime labor veterans. The people who bring this plea to you have gone through the harsh school of serving in the military, former privates and commanders of companies and battalions, regiments and divisions, people who commanded corps and armies, military schools, institutes, and academies, former heads of organizations, production facilities, factories, and plants, former public figures, and scientists—from a candidate of science to academicians of the Russian Academy of Science.

This entire preamble serves the sole purpose, dear Boris Nikolayevich, of letting you know that we are not unthinking people; together with our country we have gone through trials and tribulations—as have you—and we have one and same goal: Through the modest efforts of those who still work, and by our advice and proposals, to try to help the common cause of the well-being of the Fatherland and to the extent possible make easier the life of the older generation, first and foremost war veterans. Bear with us; hear our voice—it is a cry from the heart and soul; hear us out as the president, who is guaranteed to remain in this position of authority until 1996; as the supreme commander in chief; and simply as a human being.

Less than a year and a half remains until the historic date—the 50-year anniversary of the Great Victory of the Soviet people in the Patriotic War. We ask you, Boris Nikolayevich, to issue an edict on preparations for this remarkable date no later than the first half of 1994. And to take into consideration in this edict our requests and proposals, namely:

1. To set up a committee (commission) for the preparation and direction of the celebration of the 50-year anniversary of the Great Victory under the chairmanship of the minister of defense or one of his deputies, and with the mandatory participation of war veterans, armed forces veterans, and wartime labor veterans. As well as local subcommissions (subcommittees) under the leadership of military district commanders. All work should be done on a volunteer basis without additional remuneration.
2. To have under the president and the chairman of the Russian Federation Government and heads of administrations of Russian Federation components representatives for war and armed forces veterans' affairs. These representatives should not be members

of any party or bloc. It would be best to appoint them from armed forces veterans.

The duties of representatives of war and armed forces veterans' affairs should include:

- taking care of veterans' everyday problems and needs locally;
- leading veteran organizations; organizing patriotic upbringing of the young generation in schools, technical schools, vocational schools, and institutes.
- 3. To instruct the minister of defense, military district commanders, and military commissioners at the local level to more actively and fruitfully care for war and armed forces veterans.
- 4. Keeping in mind that increasingly fewer war veterans will still be alive by the time of the 50-year Victory anniversary, to assign the status of category II disability, with all attendant benefits, to all participants (precisely—participants, not persons equivalent in status) in the war, who have been given awards for participation in combat and battles.
- 5. To study the possibility of our state materially rewarding the remaining participants in the Great Patriotic War on the occasion of the anniversary. Keeping in mind that there has never been a war in the history of humanity comparable to this one in the scale of cruelty on the aggressor side and the mass heroism and uncompromising stance on our side. It was we who won in this cruel battle—we Russians, who made a decisive contribution to the victory in the entire World War II.
- 6. To canonize in a secular manner the great troop leader, defender of the Fatherland Georgiy Konstantinovich Zhukov, whose services to our Fatherland have been no lesser than those of our great forebears: Aleksandr Nevskiy, Suvorov, Kutuzov, Bogdan Khmelnitskiy, Ushakov, and Nakhimov, in whose honor the highest orders have been established. To establish a "Zhukov Order" and a "Zhukov Medal" and award it to all surviving war veterans in our Fatherland, the CIS, and particularly distinguished World War II veterans in the United States, England, and France, regardless of rank and title.

We have no doubt that such a decision, Boris Nikolayevich, will be truly appreciated not only by the peoples of Russia and the CIS but also by the world community.

To erect monuments to G.K. Zhukov at Poklonnaya Mountain in Moscow and at the sites of decisive battles: in St. Petersburg, at Kursk Bulge (the site of the historic tank battle), and a number of other places.

Dear Boris Nikolayevich, you approved this proposal of ours during your visit to the former front line in the vicinity of Leningrad, around Maryino village, on 27

January 1994, for which we are sincerely grateful to you and hope that it will be implemented in a timely manner.

With respect and hope, on behalf of veterans, we sign this letter:

[Signed] Chairman of the Committee of the Leningrad Organization of Brother War and Armed Forces Veterans, Hero of the Soviet Union, Colonel General V.N. Kubarev

cochairmen of the Club of Aleksandr Nevskiy Order Recipients, Member of the Russian Academy of Sciences N.A. Moiseyenko and Artillery Major General, Doctor of Technical Sciences V.M. Kislov  
St. Petersburg

Dear Vasiliy Nikolayevich, Vasiliy Mironovich, and Nikolay Andreyevich:

I thank you for your letter. Many of the wishes expressed in it are within the mainstream of the policy conducted by the national leadership and whose main directions were formulated in the recent Message to the Federal Assembly of the Russian Federation. The task now is to combine the efforts of the entire society towards this in order to energetically overcome the socioeconomic crisis and its negative consequences. In this work we also count on the support and help of your heroic generation—the generation that defended the independence of the Fatherland.

I wish you health, happiness, and wellness, dear veterans.

[Signed] B. Yeltsin

#### Metropolitan Ioann Defended

944F0586A Moscow SOVETSKAYA ROSSIYA in Russian 15 Apr 94 p 2

[Article by K. Dushenov, press secretary to Ioann, metropolitan of St. Petersburg and Ladoga: "Warning in Informant Report-Style"]

[Text] Well, gentlemen, say what you wish, but there is no greater torment for an intelligent man than feeling that he has not fulfilled his civic duty, which compels him to report to high superiors—immediately and in detail—all the shortcomings and (God forbid!) seditious inclinations of his compatriots that he may have noted. It must have been this noble feeling that moved Mr. Gleb Yakunin recently to write an open letter to the president, which was published by NEZAVISIMAYA GAZETA on 12 April of this year.

All jokes aside, though! In the letter, written in the genre of a frankly shameless informant report, the author urges the president to initiate administrative and criminal proceedings against the highest hierarchy of the Russian Orthodox Church. "The patriarch," according to Mr. Yakunin, "covers up unconstitutional activities... of pseudo-Orthodox chauvinists," while "the agreement signed by Patriarch Aleksiy II and Minister of Defense

P.S. Grachev may potentially result" in "fascist ideology penetrating the Russian army."

Metropolitan Kirill, chairman of the External Church Relations Department, was attacked by Yakunin for having dared to send SOVETSKAYA ROSSIYA editors a letter containing the "seditious" phrase that he is "ready to work together for the good of our Fatherland and the Russian people." "The patriarchy," Yakunin draws the conclusion, "through Metropolitan Kirill officially announced its solidarity with the national-communist opposition."

But the famous democrat reserved the most vicious slanderous attacks for the Most Reverend Ioann, metropolitan of St. Petersburg and Ladoga. The author of the denunciation accuses him of "preaching anti-Semitism and inflaming religious strife and enmity between peoples," and openly urges criminal proceedings against the most authoritative Russian archbishop under the famous Article 74 of the RSFSR Criminal Code. (Footnote 1) ("Congratulations, citizen, you lied," one famous literary character used to say in such situations.)

What is the reason, however, for Mr. Yakunin's unstoppable rage of denunciation? It turns out that on 22 March 1994 a RUS PRAVOSLAVNAYA newspaper insert devoted its issue to discussion of the "forbidden" Jewish question. The key material in that issue was an article by His Eminence Ioann "Creators of Cataclysms," in which he answered questions and letters from readers, including foreign ones. Urging, by the way, that discussion of this topic be approached "without hatred and bitterness," "without preconceived conclusions," and without pinning insulting and unfounded labels onto opponents. Unfortunately, as the material in NEZAVISIMAYA GAZETA shows, this appeal went unheeded.

Keeping in mind G.P. Yakunin's origins, we understand his interest in discussing the Jewish topic. Moreover, we share his concern in the part that incompetent consideration of this issue, as well as hushing it up without good reason, may be fraught with negative consequences for Russia's sociopolitical life. It is unclear, however, why at the same time some politicians persistently try to suppress public, pluralistic, comprehensive, and interested debate of this burning and topical problem.

Against the background of the unprecedented groundless stream of accusations dumped on Metropolitan Ioann, permit us to pose a few questions to Mr. Yakunin as well. Such as:

—Why does any attempt on the part of the public to touch on the "forbidden" topic and begin constructive discussion of it cause a hysterical reaction on the part of the groveling press?

—Why does the unwritten "double standard" permit, for instance, Svanidze to feed with impunity the fruits of his wounded ethnic pride to multimillion television audiences—such as vulgar concoctions regarding

"Zhirinovskiy the Jew"—while at the same time suppressing all attempts on the part of "outsiders" to discuss the Jewish question at a serious scientific-historic and moral-religious level instead of a kitchen-provincial one?

—Why is the mean and unfounded lie of "Russian anti-Semitism," "Russian chauvinism," and "Russian imperialism" being spread so willingly by "democratic" mass media, while the slandered and plundered Russia is sliding deeper and deeper into the abyss of public chaos?

One can ask many more such questions. Judging by all signs, neither the "democratic public" nor the powers that be apparently have any intention of answering them. On the other hand, there is still hope that the Russian people, awakening from decades of atheistic and cosmopolitan haze, will figure out on their own who is their enemy and who is their friend; who is a loving—albeit strict—shepherd, and who is a provocateur and a liar.

As to Mr. Yakunin's exhortations to put Metropolitan Ioann on trial, they truly are superb!

In conclusion we cannot refrain from the pleasure of quoting two excerpts which shed an especially clear light on Mr. Yakunin's complete theological and political incompetency. The first belongs to the holy saint John Chrysostom, to this day revered by the entire Universal Church (even Catholics) as one of the pillars of the Divine Truth.

"A synagogue is a thieves' den and a lair of beasts," this holy man said 1,500 years ago (should we perhaps put him on trial, too, under Article 74?). "Demons inhabit it, and not only this place but also the very souls of Hebrews. Should we not avert ourselves from them as a universal disease and a sore for the entire universe? Is there any evil they have not committed? Is there a villainy or lawlessness that has not been surpassed by their infamous murders?... What should amaze us in them the most? Their dishonesty, or their cruelty and inhumanity?... If someone killed your son, tell me, would you be able to look at such person, to listen to him talk? The Jews killed the Son of your Lord, and you dare to hold court with them in one and the same place?"

The second quote belongs to Henry Kissinger, the famous American politician of Jewish origin. "Anybody who has at least minimally seriously studied Russian history," he said recently, "knows that it was Russian nationalism that always ensured the integrity of the country and helped it deal with numerous enemies and troubles. Now the Russians have lost the huge empire they built. Could anyone expect a different reaction to this humiliation other than an explosion of nationalism? I see Russian nationalism as simply a reality of Russian life, which we should accept the way it is..."

Very valuable advice for everyone who, like G.P. Yakunin, is blinded by hatred toward the Russian people and the Orthodox Church.

### Leaders Explain Majority Party Objectives

944K1142A Moscow LITERATURNAYA GAZETA  
in Russian No 16, 20 Apr 94 p 12

[Roundtable discussion with Chairman of the Majority Party Vyacheslav Grechnev; People's Artist of Russia Vera Vasilyeva; Yuriy Moiseyev, member of the Majority Party Political Council, president of the Russian Potato concern, and doctor of chemical science; and Andrey Orlov, member of the Political Council, vice dean of the Economic Academy, and doctor of economic science; by LITERATURNAYA GAZETA senior staff members at the LITERATURNAYA GAZETA editorial offices; date not given: "Will the Majority Follow the Majority Party?"]

[Text] A year and a half ago LITERATURNAYA GAZETA made a trip to Germany. At the request of our German colleagues we brought to a "roundtable" organized by them representatives of all the parties then registered in Russia. At the time there were 25. The Germans were bewildered: How do you navigate in such a large number of parties; we in Germany have only four major ones and several small ones that are of no consequence? The LITERATURNAYA GAZETA staff promised them that Russia, too, will have everything the way it is supposed to be "in a polite society"—two, three, or four parties. A year and a half passed, however, and instead of 25 parties we have 40, or perhaps 50 (it is hard to keep track)!

Not too long ago a new party appeared on the horizon, which chose a name that carries quite a claim—the Majority Party. So we decided to ask them a question: How does the idea to set up a party come up today; what is it set up for?

Our guests at the LITERATURNAYA GAZETA editorial offices are Chairman of the Majority Party Vyacheslav Grechnev; People's Artist of Russia Vera Vasilyeva; Yuriy Moiseyev, member of the party's political council, president of the Russian Potato concern, doctor of chemical science; and Andrey Orlov, member of the political council, vice dean of the Economic Academy, and doctor of economic science.

Senior staff members of LITERATURNAYA GAZETA participated in the discussion.

### Writhing Mute Streets

[Grechnev] How are parties formed? Probably in different ways. As to our party, if someone told me three months ago that I would be participating in this, I would have been very surprised. After the 12 December elections, when the elements of society's disintegration became obvious; when one could figure out using a simple calculator that only 17-20 percent of Russians were represented in the parliament; when we saw that, on one hand, a clown had come to the forefront of politics, and on the other, Russia's Choice's weaknesses

became obvious, we came to the conclusion that Russia needs a new party that will reflect the interests of the majority of its population.

[LITERATURNAYA GAZETA] We—meaning who?

[Grechnev] A group of entrepreneurs and intellectuals in the humanities. We came to the conclusion that in reality Russia does not have parties as such at all. They are more like associations by interests: a club of Zhirinovskiy lovers, a club of beer lovers... As for a true party that would express the interests of average business, the interests of the middle class in the population, such really does not exist in Russia.

We decided to create a party that would truly be a party and represent the interests not only of the Moscow mingling circuit but mainly those of the regions. It did not take us long to set up a party organizing committee, hold a founding congress, and open branches in 58 regions.

We acted on the following principle: At the first stage we contacted commercial, cultural, and sports structures with whom we had partnership relations. This facilitated the search. Take for instance entrepreneurs. As a rule, they are successful entrepreneurs. At their enterprises they pay decent salaries. And the families that work here also trust those who let people work normally and earn a normal living. You know, we ourselves did not expect the tremendous, snowball support we got. We have already made a trip to the Urals—Chelyabinsk, Chelyabinsk Oblast, Sverdlovsk Oblast, Yekaterinburg, Nizhniy Tagil. These are huge regions with immense potential. We visited Bryansk Oblast—regional branches are operating there actively. There is interest in our party in the North Caucasus. We have a very strong branch in Smolensk, and there is lot of interest in us in Kaliningrad Oblast and Kaliningrad itself.

[LITERATURNAYA GAZETA] Do you consider the name of your party well chosen—the Majority Party? On one hand, it sounds like pure advertising; on the other, you will be nicknamed Bolsheviks. In reality, it follows from your program documents that you intend to be a party of the middle class, and among other things a party of small and medium-size business. In such a case, why could you not make this clear right away?

[Grechnev] We thought for a long time about the name; it is not accidental. This name expresses the very essence. I will explain why. In our opinion, in a normal, civilized society, where Russia should belong, the middle stratum of the population, the middle class, should comprise 70-80 percent of the population. It includes far more than just entrepreneurs, of whom there are no more than 15 percent in society; it truly is a majority. In our perception the middle class includes skilled workers, doctors, teachers, engineers, any specialists working for hire or self-employed, professional athletes, creative intelligentsia, retired military officers, small and medium-size business owners... In short, everyone who is engaged or wishes to be engaged in free, creative,

highly skilled labor. This stratum effectively maintains the state, ensures its prosperity. That is why we say that we want to express and defend the interests of the majority, the middle class.

[LITERATURNAYA GAZETA] You said that you have support in the regions. Any party in the country probably has support in the regions. Shakhrai, for instance, proclaimed that his PRES [Party of Russian Unity and Accord] is a party whose support base is the regions. According to you there are capital city parties and there are all-Russia parties, right?

[Grechnev] As to Shakhrai, the tactics he uses in work with the regions is bewildering. He calls a head of administration, talks to him, and after that believes that the region supports him. This is far from true. The impression that heads of administration have a great influence on the situation in the regions is incorrect. Rather the contrary, entrepreneurs directly supply them with foodstuffs. Therefore a head of administration also depends on the entrepreneurial class. To the best of my knowledge Shakhrai, at least in the regions where we traveled, did not deem it necessary to establish contacts with local entrepreneurs. So I do not know how real his support in the regions is.

[LITERATURNAYA GAZETA] It is difficult to set up a party these days. It takes money. Who is behind your party? Big capital? Medium-size? Small?

[Grechnev] Medium-size capital. That is, people who have earned their money themselves. They are mostly our business partners. Trade business, construction...

#### The Market Is Being Strangled by Taxes

[LITERATURNAYA GAZETA] From some of your remarks one may draw the conclusion that you do not believe that all businessmen have earned their fortune honestly. Of course, this is true. But here is the question: Do you work only with those you consider absolutely honest?

[Grechnev] We are not interested in how a person earned his money. We are not the procuracy or a court. This is a matter for a person's conscience and appropriate law enforcement organs. If a person shares our views; if he has money and will contribute to the stabilization of society—for goodness sake, we are always open.

[LITERATURNAYA GAZETA] When one reads your program there are some unclear points. We would like to hear more specifically what you offer instead of, for instance, Gaydar's economic policy. How is your economic program different from other parties' programs?

[Grechnev] Let us begin with taxes. In our opinion, until the system of taxation is fundamentally changed no further reform, no pulling out of the crisis is possible.

[Orlov] Our current system of taxation is completely anomalous, idiotic. No matter how you count it, right

now from every million rubles [R] made by an entrepreneur, R850,000-900,000 "disappear." There are 40-plus taxes—federal, republic, city...

The conclusion is very simple. Until R650,000 out of this million remains for investment, development based on market forces, production is not going to grow. And we will not build a critical mass of small business, will not be able to support that part of the middle class that is already deteriorating today. And is our potential for the 21st century. This means that we have to create a new tax structure. For our party this is a very real question. We have announced an international competition to develop the best tax system.

[LITERATURNAYA GAZETA] What problem would you name as second in importance after taxes?

[Orlov] We are facing an explosion of unemployment. In the worst case scenario, keeping in mind the VPK [military-industrial complex] potential—up to 30-35 million persons. In the medium-gravity scenario—up to 12-15 million and a change from latent, hidden unemployment to open. Among the unemployed will be a tremendous number of people we consider middle class. Based on that, we placed the emphasis on a simple, well-developed, easy to understand economic program. So that people will not evade taxes. So that we will find stimuli for an economic upturn. We have a number of concrete projects that will allow us to improve the economic situation. Yes, inflation will persist, but it can be reduced.

The proposals for tax systems we have already received in the competition tell us that such potential is there.

[LITERATURNAYA GAZETA] In your remarks you frequently mention the names of Abalkin, Petrakov, and Shatalin. Does this mean that if your party comes to power, these are people who will be your advisers rather than younger economists?

[Orlov] No, it does not. In the past I was indeed close to this group. But I believe now that, with the exception of Petrakov, they have somewhat exhausted their potential. Today we need young flexible minds. And we have on our team many young, talented people.

[LITERATURNAYA GAZETA] In your opinion, is the return to state regulation, a planned economy possible?

[Orlov] Impossible.

[LITERATURNAYA GAZETA] And what if those who insist on such a return come to power?

[Orlov] Well, with the attitudes that currently exist in society, with the way we are moving now, they are not going to get power.

[LITERATURNAYA GAZETA] No, this is not what we are asking: What if they do take power?

[Orlov] If they take power, we will fight, we will argue that they will lead us into another dead end...

[LITERATURNAYA GAZETA] Some people believe that even if retrogrades take the power, the processes in the economy are already irreversible and there is no way back...

[Orlov] They themselves understand this. They know full well that there is no way back. You can slow down some things; some components in the equation may be changed, but there cannot be a genuine turning back... There is another possibility—a partial return. For instance, market socialism with some new face. A lot of state ownership, a lot of regulation, a lot of all sorts of slogans: Let us protect these, and those... Not such a fast progression to a liberal economy of the American type, but something like a social market economy.

[LITERATURNAYA GAZETA] What is your position in the current polemics around customs duties?

[Orlov] They are needed, of course, but not as high as they have been set.

[Grechnev] It is just that this is a bad time to impose them. In time, when production is up; when a new taxation system is in place; when it is profitable for producers to work and expand production—then, of course, in order to protect the domestic producer customs duties will need to be imposed.

#### Does a Party Need Discipline?

[LITERATURNAYA GAZETA] There is an obvious contradiction in your program documents between the claim to be a party of the majority and the disciplinary restrictions you intend to impose on your ranks. You even use the odious term "democratic centralism..." You have not offered anything unifying in the sphere of ideology. Only disciplinary measures.

[Grechnev] I do not see any contradiction here. You say that you cannot pinpoint the ideology. In my opinion, the ideology is defined very precisely and clearly. What is, for example, important for me as a businessman and a member of the middle class? First and foremost, stability in society. A society that is split into the lumpen and the elite is unstable...

About democratic centralism. This is our reaction to the past few years of the democratic talking shop. Only talking shop, no real action. People do not have any real responsibility. We think, on the other hand, that real members of our party will have a real responsibility to it. Because they will receive and already receive something from the party. I do not mean some monetary handout or something of this kind. We help people in their self-realization. To some we give a direct distribution market. To others we help find jobs. That is, we do real things. And while for others things did not get beyond

declarations, we gather our supporters by concrete, real actions; we help them, and we have the right to ask for reciprocity.

[Orlov] Today our task is to create distribution markets, create new jobs, create schools for young talents... We have, for instance, a studio which is called exactly this: "Young Talents." We sponsor it. A wonderful school! They recently gave a great concert in the Rakhmaninov Hall in the conservatory. If we do not support this, we will lose a great number of talented kids brought in from all over the former Union. But in order to help, we ourselves have to be well organized.

#### Place in the Political Spectrum

[LITERATURNAYA GAZETA] What are your goals in the area of privatization? In your opinion, is it being conducted the right way? What do you think about vouchers?

[Orlov] We have to start with land. Establish true ownership of it. Look at what is happening now. There are 200,000 peasant and private farms. But have you counted how many of them are true, market-type? Only 25-30 percent. And they only feed themselves; the rest are merely registered. The critical mass, however, which forms a real market, must comprise at least 500,000 farms. Only then will some sort of competitive basis appear. Next we have to organize 3-5 million small enterprises... Vouchers are a stage I call a registration stage—statistical, learning stage. We have not yet achieved fundamental change.

[LITERATURNAYA GAZETA] But voucherization has already taken place; this is a fact...

[Orlov] When I go to my dairy store on Gruzinskaya Street I see a new sign there—a TOO [limited liability partnership] or AO (joint-stock company). But it is as dirty as it used to be. And the sales clerks are as rude as they used to be... So what has privatization given us? Is this an increase in efficiency? Is this an upturn coming in place of losses and decline?

[LITERATURNAYA GAZETA] When a new party appears on the stage everybody wants to know that kind of party it is. There are certain tests by which the reader can determine what part of the political spectrum you are in. Test No. 1: Which of the Duma parties is closest to you?

[Grechnev] Probably Shakhryay's party, because it places emphasis on the regions. We, too, as we have already said, want to be a party of the regions rather than a Moscow party.

[LITERATURNAYA GAZETA] Test No. 2: How do you feel about calls to restore the USSR?

[Grechnev] In our opinion, restoring the USSR in the form in which it existed before certain events is impossible.

[LITERATURNAYA GAZETA] But do you see unification in some form? Or do you support the CIS? Or something else?

[Grechnev] I will answer the question this way. There was Russia, Russia Minor, and Belorussia. This is the way it should be. It is one whole organism.

[LITERATURNAYA GAZETA] But Russia Minor does not want to be with us.

[Grechnev] This is an arguable contention—about Russia Minor. A Ukrainian Majority Party is being set up there. Also a Belorussian Majority Party. Hopefully we will work together.

[LITERATURNAYA GAZETA] How do you feel about the recent amnesty declared by the Duma?

[Grechnev] In my opinion, when mercy is shown, this is good. But the degree of culpability should be determined by a court.

[Orlov] I also want to add that it would be good if the initiative in such matters came from the president.

[LITERATURNAYA GAZETA] Do you have a presidential candidate?

[Grechnev] Yes. A well-known name, but we do not want to mention it yet. A person who shares our views.

[LITERATURNAYA GAZETA] What will you say regarding the current rumors that Luzhkov supports your party?

[Grechnev] I think Luzhkov is the best person to speak up on this subject. And he has said that he has nothing to do with our party and that he wrote greetings to our congress at the request of a friend who shares the views of our party and since his own, Luzhkov's, views are not in conflict with it.

#### Russia Is a Rural Country

[LITERATURNAYA GAZETA] In your perception, do peasants belong with the middle class?

[Moiseyev] Yes, we believe that ordinary rural workers—peasants, farmers—are part of the middle class. Although they as a social group have a number of special traits that have to be taken into account. First and foremost, the rural population is a pragmatic part of the population, the most pragmatic one, which no longer believes slogans. They do not accept revolutionary reforms. Therefore, when farmers come and say: Let us divide everything—it causes psychological hostility. Finally, it is the most technologically backward part of the population. As a result, they have higher production costs, greater storage losses... So now we have arrived at such a logical state where food prices in the domestic market are higher than world prices. And lastly, a proprietor is developing now in each producer in the rural area. While in the past house-adjacent plots were mere vegetable gardens, now people have one or two

hectares. They are becoming private producers of goods. But at the same time they do not want to leave state organizations. If a person works at a post office, or someplace else, or in a kolkhoz, he does not want to leave. Such duality requires great tact in treating the choice of path Russia will follow in this area.

[LITERATURNAYA GAZETA] But do we not have to finally get this sluggish cart moving?

[Moiseyev] We are looking into various scenarios now. The first is the administrative way: make everyone a farmer. Today farmers occupy 2 percent of the total area and produce as much output—a little more than 2 percent. That is, when it comes to efficiency they are no different from other sectors in agriculture. This way, as I already said, currently causes hostility on the part of the rest of the rural population. From the economic and psychological standpoint, I think that in the nearest future any forcible pressure in this area is unacceptable. I can quote in this respect the famous message of Petr Filippov, head of the Analytical Center of the President's Administration, in which he recommended "breaking up" over the period March-April large producers into smaller partnerships comprising 20-30 persons. Naturally the countryside was completely hostile to the idea.

The second way is currently officially supported by that part of the Duma that oversees the agrarian sector. It envisages continuing financial aid to the agrarian sector. But this is a temporary measure.

[LITERATURNAYA GAZETA] So what way do you—the Majority Party—propose?

[Moiseyev] We are searching for a third way. And we see two potential trends here. The first is in uniting rather than pitching against one another personal plot owners, who at the same time also participate in collective production. This may be perhaps a purely Russian way. It requires division of functions instead of division of property. If a collective entity takes upon itself procurement of seed and equipment, and will take the final product from the peasants—this will be a rational division of functions. Therefore, new structures must emerge on the microeconomic level. They already exist now, and we actively support them.

[LITERATURNAYA GAZETA] You said that there are two trends. What is the other one?

[Moiseyev] The second trend is that associations, concerns, and corporations must emerge on a higher, macroeconomic level. Not by the territorial principle, however—by product. We had the experience before the reform of organizing the APK [agro-industrial complex] by territorial attribute. Meanwhile, the experience of world development shows that a different variant is more promising. Sometime after the crisis of the 1930's large concerns came into existence—such as Coca-Cola, Pepsi-Cola—which combine production, growing, distribution, and even science in their field.

### Who Are You With, Stage Workers?

[LITERATURNAYA GAZETA] Let us now ask Ver Kuzminichna: Has the entire Theater of Satire joined the Majority Party or only part of it? And how did you come into the party?

[Vasilyeva] The Theater of Satire is not part of any parties, including this one. The same goes for me. Being the age I am and having experienced so many disappointments, it would be stupid to run from one party to another. But there are things I consider very important and welcome. This is what I mean.

As you know, the situation in culture is very difficult now. Our theater is doing quite well, though. As they say, we do not go around begging. At a time when everybody is getting rid of the "ballast," our people prefer smaller salaries but no layoffs. Well, we have four plays in production now, and money has been found for all four of them. For a year, however, we, together with director Boris Aleksandrovich Lvov-Anokhin, have dreamed of producing Gnedich's "The Assembly." The part I have is far from a dream part, and I could certainly do without this play, but I think it is very much needed precisely now. This is also the opinion of our leadership. Because this is a play about how Peter the Great attempted to lead our Russia onto a civilized road of development, which turned out to be very difficult. Everything that is taking place there resonates very much with our times. Stealing, drinking. The desire of many people, despite tremendous difficulties, to still walk this road of civilization. We decided to conduct an experiment: produce this play together with the New Drama Theater, which is directed by Lvov-Anokhin, because we realize that there are many acting parts and expenditures will be considerable.

[LITERATURNAYA GAZETA] We are beginning to guess: Is it they who got you together with the Majority Party?

[Vasilyeva] Since I am in charge of the domestic commission in the Theater of Satire, where I very frequently have to ask for money for old actors, sick people, I am used to asking. I am not ashamed of it because I ask not for myself. Therefore, when I was invited to this event—I do not even know what to call it: a party presentation or simply a meeting—I told the person who invited me: "Pardon my cynicism—are there going to be rich people there?" I was told: "Yes." I said: "Then I will be happy to come. And I will be happy if the new party turns out to be a good one. I will speak of every good deed and will never hide who helped us."

[LITERATURNAYA GAZETA] Did you get help?

[Vasilyeva] We were promised stage-by-stage financing for this production—"The Assembly." I repeat, we are not poor, but this will simply be a very good act on the part of a party that intends to help intellectuals, people of art, and helps a theater in a difficult moment. I consider it a good deed.

### The Law Is the Law

[LITERATURNAYA GAZETA] Another question for the party leadership. In your program documents, among the main values you mention legality. You write about the primacy of the law, the sanctity of the law. But there are laws and laws. You see, you are already unhappy about the law on customs duty. On 3-4 October, too, some defended the law while others apparently violated it...

[Grechnev] You may have noticed that by our orientation we lean towards the conservatives. To take a Western analogy, we are a conservative party, and we do indeed respect the law. Although we see, of course, the difference between the law and the legal system. As to specifically regarding our attitude to the October events, we consider it a national tragedy. As your newspaper reported, we have opened a special account, money from which will be used to aid all victims of this tragedy.

[LITERATURNAYA GAZETA] Once again about your program goals. You make your priority a strong, stable state as a guarantor of freedom, dignity, human rights, and the individual, etc. But in Russia, the state, the bureaucratic state, has always been and remains the opposite—a guarantor of lack of freedom. A guarantor of suppression, an annihilator of the individual. The bureaucracy has acquired a gigantic scale even in comparison with communist times. How can one worship such a state? Only a civil society should be a guarantor of freedom—only such a society is capable of restraining the army of bureaucrats

[Grechnev] In my opinion, the state per se currently does not function at all. What we see is the tyranny of bureaucrats.

[Orlov] The situation right now really is anomalous. We understand very well that everything is permeated with corruption. We have to create a civilized stratum of civil servants. But bureaucrats are not necessarily the state. A state is a combination of at least three authorities: executive, legislative, and judiciary. We in the party also attach great significance to the fourth estate—the mass media. We are supporters of a state in which laws are intelligent; where there is a combination of effective authorities, with a great role for judiciary structures. As for building a civil society—this is a long process.

### We Are Open to Everyone

[LITERATURNAYA GAZETA] Do you know how many members you currently have, or is there no such record-keeping?

[Grechnev] There is. We receive up-to-date information. There are about 200,000 active party members.

[LITERATURNAYA GAZETA] In one of your program documents there are words about the priority you attach to the development of Russian spirituality. Do you have a certain weakness for national-patriots?

[Grechnev] We are talking about Russia's [rossiyskaya], not Russian, spirituality. We have emphasized this many times.

[Orlov] It is our principle, which also was expressed at the congress. There can be no doubt about it. The same extends to our attitude to different religious confessions. We are an open party.

[LITERATURNAYA GAZETA] How do you feel about such populist undertakings as a beer lovers party?

[Grechnev] I like beer.

[Orlov] Let there be a lot of beer, good-tasting and different.

[LITERATURNAYA GAZETA] The last question—on your plans for the immediate future. What can we expect of your party? In which elections will it participate?

[Grechnev] The plan for the immediate future is to work with the regions, travel to the regions: Orel Oblast, Nizhniy Novgorod, Bryansk, Kirov, Yakutsk, Kabardino-Balkaria. We will participate in elections whenever they take place. We are ready. We are already participating in regional elections.

[Orlov] We are setting up international contacts. We will visit Austria and Germany.

[Grechnev] At the end of the month I am going to Cyprus, where we have already established contacts with the Conservative Party.

[Orlov] We have very promising contacts in the United States. Everything will be fine, we hope.

[LITERATURNAYA GAZETA] Can we see your party card?

[Grechnev] We have the design, and the cards will be printed soon.

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As this issue of LITERATURNAYA GAZETA was going to print, the Majority Party held another press conference, at which the party leadership expressed their attitude to the draft Agreement on Civic Accord. The statement says that while supporting the IDEA of the agreement, the party at this point cannot endorse this wording of the document. For instance, calls for compliance with the constitution—which is the duty of any citizen regardless of agreements—are seen by the Majority Party leadership first as nonsense, and second, as an attempt to place this document above the constitution. Also unacceptable is the desire of the document's authors to impose additional political restrictions in the form of obligations to "not initiate political campaigns with the purpose of holding early elections of federal organs of authority," "not conduct and not participate in organizing strikes," and others.

In many of its provisions, the party said at the press conference, this agreement is just a collection of obvious maxims and banal assertions. To endorse such a document would be TANTAMOUNT TO ENDORSING THE BIBLE.

At the same time, it was said that the Majority Party is ready to take part in work on the preparation of a more serious Memorandum of Accord. It will bring into this work the cadres of highly skilled jurists, economists, and political scientists the party has at its disposal.

**Barkashov Outlines Political Platform**

944K1114B Moscow ARGUMENTY I FAKTY in Russian  
No 16, Apr 94 p 3

[Interview with Aleksandr Barkashov by correspondent Valeriy Batuyev; place and date not given: "Those Who Are Called Brown. Honor and Russia Barkashov-Style"]

[Text] Aleksandr Barkashov too, it turns out, intends to put himself in the running in the presidential elections in 1996 and offer the people his model of society. Its essence is reflected in the "code of honor"—the party document of "Russian National Unity." Our correspondent Valeriy Batuyev met with Aleksandr Barkashov a couple of days ago.

*A couple of provisions of the code of honor:*

"The comrade-in-arms (party title.—ed.)...must restore justice to the Russian people with his power and his arms, without appealing to judicial or other authorities."

"Any questions are decided by the comrade-in-arms, guided only by his national sense of justice in keeping with the authority granted to him by the Chief Comrade-in-Arms, and he obeys no other laws."

"The comrade-in-arms must constantly recall that Russia has no friends. Anyone who forgets this becomes a traitor."

"Persecution of foreign and domestic enemies of the Russian Nation, regardless of how far they might be outside Russia's borders, is a matter of honor for the comrade-in-arms."

"The comrade-in-arms can cleanse himself of shame only with blood."

"Betrayal is the most heinous crime for the comrade-in-arms and is punishable by the death sentence."

[Batuyev] Aleksandr Petrovich, what do you mean by the word honor?

[Barkashov] This is a person's internal condition (each person concretely!) as well as the general condition of people who are joined together by a national or civil principle. A person cannot allow others to spit in his face. Regardless of what kind of spit it is: social, political, ethnic...if small ethnic groups can join into communities to protect their political and ethnic interests, the Russian people have been deprived of this right. As soon as we join together to protect our national interests, people immediately begin to call us chauvinists and fascists. Is that not spit?

[Batuyev] "Everything for the Nation. Nothing against the Nation. The Nation is above all." It is this "life principle" of the comrade-in-arms that gives many people justification for calling you Nazis or fascists.

[Barkashov] Since they have no alternative to our ideology, they have no arguments with which to respond to us, they, like little children, descend to the level of name

calling and pin labels on us. Yes, I am a Nazi. What is wrong with that? Nazi consists of two words—nationalism and socialism. The first is the elevation, the revival of our nation, and socialism is social justice, that is, I am in favor of what the communists and democrats are fighting against.

[Batuyev] If you are really guided by the teachings of Jesus Christ with respect to the Russian people, certain points of the Code: "A comrade-in-arms can cleanse himself of shame only with blood," and "betrayal is punishable by the death sentence"—contradict the Christian "thou shalt not kill."

[Barkashov] If the comrade-in-arms has violated his oath, the Code of Honor, he must take actions which can wash away this shame. He can go to a "hot spot" and defend the interests of the Russian people. There are also other alternatives.

[Batuyev] You said that you are offering a new model of society.

[Barkashov] The power will belong to the people and at the same time be authoritarian.

[Batuyev] That is, according to the principle of your party: The Chief Comrade-in-Arms, the other comrades-in-arms, the associates, and the sympathizers?

[Barkashov] Quite right. The hierarchical ladder is not frozen in place. The most worthy people, the nation's cream of the crop, will advance to the power structure.

[Batuyev] And all "non-Russians," "non-sympathizers" with your movement will end up outside our state?

[Barkashov] Why so? Any state has a Constitution which determines the activity of any citizen. If he is obedient and follows this law of the society and the state conscientiously fulfills its obligations, this person can live peacefully in our state, even if he does not share our views. But if he undermines the system of our values, fights against them, and thus undermines the unity of our nation, the state, naturally, will have no place for him.

[Batuyev] I have heard that many comrades-in-arms viewed your flight as a violation of the Code of Honor and that the attempt on your life on 20 December 1993 was made by them as a kind of revenge.

[Barkashov] There was no flight. We all left together when a decision was made to cease resistance. I wanted them to arrest me along with Achalov, but the officer from the Ministry of Security said that he had no order for my arrest and he would not act arbitrarily. I left with everyone else.

[Batuyev] On 6 October you were 40 years old. Where did you celebrate your birthday?

[Barkashov] At someone else's dacha. It was 20 kilometers from Moscow.

[Batuyev] But your neo-Nazi friends in Germany were waiting for you at that time.

[Barkashov] Indeed, a group of our comrades-in-arms had gone to Germany and met there with people who share our views...without contacting me, the boys accepted their invitation, but I had other plans. I was in Moscow the whole time. True, I went to Belarus for three days.

[Batuyev] What authority do you delegate to your comrades-in-arms? Is it possible for them actually not to obey "any other laws" of the society?

[Barkashov] Only a person who enters our organization can know what this authority is. In what case can we go against the law? If the Constitution is changed by the will of several people, as it was in September-October, and is violated unilaterally, the other side automatically receives this right.

### Barkashov To Organize New Movement

944F0587A *Vladimir ZAVTRA in Russian* No 12, Mar 94  
pp 1, 2

[Dialogue between ZAVTRA Editor in Chief Aleksandr Prokhanov and Aleksandr Barkashov; place and date not given: "Aleksandr Barkashov: 'Heil Russia!'"]

[Text] [Prokhanov] I see the past two years as an integral, complete period: political, spiritual, perhaps even spiritual-religious. One could see this especially clearly when that period was brought to an end—over there on the Moscow River embankment, by this blaze, this massacre...

As a writer, a novelist, I felt that Russian history itself was writing a novel. Amazing people came through my editorial offices; their characters and internal relations developed. These relations turned into friendships, conflicts, enmity, and then people would come back together again. And the entire sequence of events entwined into some sort of knot, some plot, some suspenseful, frightening, mystical novel, which had to have a focus and a resolution. I was waiting for this, I repeat, not as a politician, but as an intuitivist. I expected this novel to end in tragedy: blood, grief, stoicism, some explosion of light-bearing energy.

And during those days in September-October, when I was tied up in the newspaper process and in politics, meetings, intrigues, struggle, I was not able to grasp to the end or understand these events in the House of Soviets. Our meeting there, fleeting as if in a fog, when I walked into the room and you were sitting there, tired after a sleepless night; fleeting meetings with Achalov, Rutskoy, with our politician-friends, Sterligov, spies and saboteurs—all of this for me is still some mysterious, tangled web.

It is very important for me to learn from you how you acted, how you lived, how you felt in the White House labyrinths—both your movement and you personally. What have you learned from this; what was your understanding of this process?

[Barkashov] The events that are happening in our country are undoubtedly of a metaphysical nature. It is almost meaningless to try them on, appraise them from the standpoint of political gain. Unfortunately, many still have not understood this and are attempting to make political calculations and forecasts—all for the purpose of jumping to one side or the other in time and not ending up a loser. Time has already shown that those who were guided by this political reckoning lost in the long run. While those, I think, who were guided by intuitive feeling gained politically, although perhaps this was not their goal. And this knot, as you said, was being entwined not out of political expediency. I also was in contact with many people then. I worked rather closely with Sterligov and others...

The search for political alliances brought satisfaction. There was this inner feeling—not only mine but also of my comrades—that some historic mystery was taking place in Russia, and we need to look for friends, strategic allies in exactly this, mystical spirit that permeated this event.

Of course, we came to the White House not out of political considerations. It is just that there were concrete people, with whom we were friends, who saw the situation more or less the same way we did and tried to participate in it in order to move events in the direction they wanted. I remember your words: You were sitting at the table, visiting Achalov, and you said: "This is not our celebration yet, not our battle." Yes, it was not yet our battle; for instance, it would not have brought us a final political victory. But we had to try to influence events in such a way that sooner or later would make it our hour, our time. We had our view of it, our intentions, which perhaps were different from the intentions of others. But we could not stand back and not participate, and that is why we came to the White House. In principle, we could have left, acted differently even at the last moment, but we stayed there to the end knowing that a mystical event was taking place. Speaking of political underpinnings, however, we also anticipated the outcome. But, on the one hand, it is the outcome of the preceding stage, and on the other—the beginning of a new one. Is it not?

Back in March, when all those Moscow brain-grinders were interviewing me: "How will you feel about it?..." "Whose side will you be on?" we said then that we will be on the side of those who raise the issue of the integrity of the state, defense of national interests, the issue of Russian people. Since it was the Supreme Soviet that did so, specifically Khasbulatov, who openly raised the issue of the problems of the Russian people, and also Rutskoy, we took their side, of course. We said that we will provide a full range of support—from moral to physical. Then also, I personally have great respect for General

Achalov; we are rather close friends; I respect him as a Russian, a general, and a man of principle.

[Prokhanov] What affected you most from the emotional standpoint during all these events?

[Barkashov] You know, there were two moments.

The first one was on 3 October, when people broke through to the White House. During the time of this whole stand-off since 21 September, when the parliament declared itself a defender of interests of the people and statehood and the enemy of those destroying it, they naturally wanted to attract to their side large numbers of people. The public mind in principle was already receptive to the idea of statehood and national interests. So on 3 October these people came. I estimated their number at 100,000. Later, talking to foreign journalists who have a better eye for this, I learned that 500,000 people came. You saw it for yourself. They were not lumpen, as we were told; they were the cream of Moscow, mainly young people between 17 and 25 and mature men, 35 and older. Clear, pure faces—distorted, of course, somewhat by emotions and the heat of battle, but, I repeat, this was the cream of Moscow. Workers, officers—those who make up the foundation of the state.

So they came, this half a million people, and the parliament, which wanted them there, and the leaders of this stand-off did not succeed in organizing the actions of those who came to their aid. On the one hand, they wanted it; on the other—they were caught unprepared. On 3 October, when all this happened in such a disorganized and chaotic manner, one could see that there were some with a lot of personal ambition, their own calculations; at the same time, the people who came to their aid were united by a common sense of support. And this, so to say, disparity between those who had urged them to come and those who came was especially noticeable. In principle, the situation was controllable and much could be directed differently. This is when I experienced—not even disappointment, but a very strong emotion that it happened this way.

The second moment was on 4 October, when at about noon we realized that we would not get out of there alive. I was very concerned for my people. They were doomed just like everyone else who was at the Supreme Soviet, but it was I who had brought them there, and therefore they were my responsibility. And of course, I was also concerned about the family. But then I thought that war is war, and there always are losses.

These were the two most emotional moments of that period.

[Prokhanov] After that physical defeat—because I believe that spiritually and morally we did not lose but win—you were stronger, stood taller, nobler; and heroes were among us, not among the "knights," OMON [Special Designation Militia Detachments], and beytars... after that the next 10 days were terrible. I felt as if Moscow was black, sticky; that it had been surrendered

to rapists. And all of this was done by the most cruel laws of a torture chamber. The nation was being raped; the people were being raped for the entire subsequent period, that is, the worst there is in a human being was being brought out: fear, animal fear, social fear.

I remember how terrible it was to learn that Anpilov had been arrested—he was not able to disappear despite the fact that he represented one of the most secret organizations. Which means there is no secrecy, no organization, and what is there is defenselessness and helplessness...

Konstantinov was arrested, although one would think that all he had to do was sit tight in a safe place and not venture anywhere. But some force—whether infantilism, madness, or anxiety and helplessness—compelled him to get out on the street, where he was immediately arrested.

And I remember how everybody asked: "What about Barkashov? What about Barkashov?" No, Barkashov has not been arrested, he is hiding in the woods, he has survived. That Barkashov remained at large all those days inspired joy, hope that he would indeed get through this period of persecution and remain at the helm of his movement. And then this terrible news that there was an assassination attempt on you, you were shot and wounded, and ended up in the hands of oppressors. What can be more horrible than a wounded, helpless man finding himself in the hands of executioners, enemies? My heart was bleeding for you.

Tell us about this incident; there are so many legends surrounding it, all sorts of versions. First, how did it all happen?

[Barkashov] Everything happened more or less as described in the newspapers. I was walking at night on business of my own—there are such instances when you have to go alone—and I was shot at from a passing car. How many times—I cannot tell: three, two, one... I did not hear the shots. Simply felt a dull blow in the leg and several seconds later realized that I was wounded. The car disappeared without slowing down. This happened near Krasnogorskiy military hospital, and a passing car took me there. Since my condition was grave, I was immediately accepted. There I found myself among honest people, who conscientiously did what needed to be done.

I ended up in the hands of enemies about 10 days later, when the information somehow leaked out. They were already looking for me. It appears that they knew more or less where to look, because there is no other explanation—I was under deep cover in this hospital: a different name, different papers...

The time I spent in the hospital was hard only from the physical standpoint, because I was treated very well there. Later, in the Ministry of Internal Affairs [MVD] and then in Sailor's Rest prison, it was also hard morally, but I came to the conclusion that there are people who share our views everywhere, and there are many more normal, good people than bad ones, even there.

[Prokhanov] What is your own guess regarding that shot; what could it be? Beytars on a hunt, the MVD? An accident, a strange incident?

[Barkashov] It is hard to tell. Usually armies, upon capturing a city, were given three days for looting; here they had three times three, since Moscow was let up for 10 days. At the time we received through our channels information from the MVD that there was a secret directive with respect to certain people on the wanted list. Do not take prisoners: stage resistance to arrest and an escape attempt. Therefore we were very cautious during that time; afterwards, we boosted our activities and perhaps relaxed; perhaps I personally relaxed.

I believe that I myself made it easier: I had not been home for quite a while and decided to stop by. This is where they picked me up: They had external surveillance in place. Who was there—whether it was the MVD, militia, or beytars—they do not display signs on their cars. Until then I was out of their reach. Why they acted precisely this way, I do not know. Why they shot at me instead of arresting me. Maybe they wanted to kill me, or maybe to wound me first so that it would be easier to take me later—I cannot tell. Neither do I know who it was. But I had the impression somehow that it was a special MVD unit.

[Prokhanov] Over the past three years since 1991 I have had a constant feeling that besides a contest of ideas, intrigues, and political potentials, a struggle of two principles is also going on. And perhaps we called ourselves a "newspaper of spiritual opposition" not so much because we do not have tank armies and airborne units, do not have our own spetsnaz, as because we clearly understood that victory, if we achieve it, must be won in the realm of the spirit, as if in heaven. And heaven can exist anywhere—in your soul and in your heart. And which spirit will turn out stronger: the spirit of darkness, the spirit of hell, the spirit of universal cunning, or the spirit of stoicism, the spirit of light, the spirit of eternal salutary goodwill goals and states.

And we remember how during those terrible days of despondency, darkness, resistance, when it looked as if even unbending people were getting cold feet, people who had lived through wars, Afghanistan, suddenly disappeared, others turned into shrinking violets, when people were getting hysterical, there came your word, this expression of yours: "field of honor"—the message you addressed to the public.

When I read it, it gave me many noble and bright moments. My friend Nevzorov told me the same thing. Aleksandr Glebovich also admired your message. It came as if from the rack, from a cross, operating table, torture chamber—a time when a person is expected to be silent, to moan, to groan. It was a spiritual phenomenon; it was a ray

of light cutting through the walls of Sailor's Rest, and many perceived it precisely as proof of spiritual victory.

I think that in prison you did not just suffer physically, not only were concerned about your family and comrades, but you definitely experienced a mystical state. I want to say once again: What came through to me in the brief words of your message was mystical, holy energy. Did you experience this state, or am I mistaken?

[Barkashov] No, you are not mistaken. It was precisely in Sailor's Rest that I suddenly became convinced that this spiritual victory in heaven, as you have described it, had already been won. What contributed to it perhaps was my psychological state of mind and certain asceticism, cleansing of the spirit and body, because I practically did not eat and was exhausted. In such a condition, the spirit takes over the flesh; mystical horizons open for you. I prayed a lot then—very hard, with all my heart, and got a feeling of certainty that we had won. It became especially strong in the middle of February—that we had already won in spirit, and all that was left to do was implement it in a physical sense. It will be difficult, I think, but not as difficult as before.

What is happening today in the camp of our enemies can be analyzed and presented this way and that way, of course. In truth, however, they also sense intuitively, with animal instinct, that they have lost the spiritual battle. So they are scattering like rats.

I completely agree with you: There is always a struggle between good and evil, but in 1991-1993 it spilled onto the political level. This is the only way to look at the situation. And since it is this way, we are on the side of good, not evil, good in its ultimate manifestation. Time removes all pretenses, and no matter what our opponents say, no matter what values they use as a cover, one can see that they are demons. And we must defeat them. By political or any other means, but we must.

[Prokhanov] In the final analysis all that drives us is concern for the state of our own soul, repentance for some sin—perhaps the original sin, perhaps the sin of a life lived iniquitously, and at the same time, concern and caring for the people. And thoughts about the people, a part of which each of us feels himself, and thoughts of one's own essence, spiritual nature, merge together, and frequently are inseparable. Today some say of the people: "they are asleep;" others say: "they are drinking themselves to death;" still others: "they have betrayed their mission, turned into a nation of money-grabbers, a nation of money changers. In reality, by their inner self—their mystery, their tenderness, their naivete, their virtue—they resemble a sleeping knight, who has covered himself with a shroud of Christ, a cloak. This cover may look like a horrible, disgusting rag or a garment made of foreign fabric in a foreign manner, but underneath it breathes the same eternal, mysterious, kindred and dear chest of a huge being sleeping—our people. He is having a dream in his sleep. And this is my dream, too; I also see this dream.

[Barkashov] We all see this dream.

[Prokhanov] Yes, we all do. It is a dream of some great memory, where there are many beautiful mysterious states coming from clean rivers, sorcerers making their way along these rivers, the first wondrous orthodox temples, snow-white on green hills, amazingly wise and kind old men—perhaps half-wizards, but also half-first Christians. This is one part of the dream, associated with the past, mystical and mysterious, which you do not even read about in fairy tales.

The other part of the dream is the future. I see the same brilliant, light-giving, beautiful future. And it consists of shapes that are no longer archaic but symbolic—a huge building, cathedral, temple, land covered with flourishing cities and roads, where the people you love, brides, children, relatives, righteous men live. The country has been turned into a wondrous palace built by our labors. This is my vision of our future truth and our incarnation—perhaps very personal and subjective.

Do you ever get such visions? If you see what I mean, what do you feel?

[Barkashov] I understand you perfectly. It is common today among many Russians to look back into the past. It is the memory of the soul, the awakening of the archetype, which happens to the people at some stage, at the right moment. The dream of the future is linked with it, because they will have to break through to the future across everything that surrounds them now. This awakening happens at a time when it seems that there is no place to go, that everything is bound by artificial rules, marked by circumstances. It is at this point that man gets a vision of the past and the future. Many people are experiencing it today.

Our people are at a borderline from which they are to break through, discarding all circumstances, all conventions imposed on them. And this future great endeavor is the reason the people have remained silent until now. Look, even democratic politicians are amazed: "How long can one keep the Russian beast, and keep humiliating it! Somewhere in Salvador they would have rioted a long time ago, and more than once, but Russians take everything." But this is all because the social factor will not be the dominant one in this accomplishment. It may provide momentum, start the movement, but the breakthrough will be achieved in the mystical, spiritual sphere.

Our people are like no other people. A great future awaits them, as great as their past. And therefore at a certain stage politicians will no longer be able to influence the general course no matter how much they want to; they will not be able to speculate on the issues of the day, direct the movement—it will not longer be in their hands. It will be an explosion of popular mysticism, which will provide the energy for building the state. And it will be a breakthrough into the future.

It is wonderful that many have already developed this feeling. This means we have already approached this borderline, we are already close to it. By the way, speaking about mysticism, this year Orthodox Easter coincides with Walpurgis night, when the most powerful occult magic operations take place. This is further evidence that this year is especially mystical in the sense of the struggle between good and evil and will be a decisive one...

[Prokhanov] Nevertheless, you and I are not only Orthodox mystics, not only monks who have taken the vows of schema or zealots—we are politicians, and we know what a political organization is; we are concerned with the problem of creating powerful patriotic movements. I remember the siege of the Writers House in 1991. You were there, too... Since then, rather energetic attempts have been made to create a large patriotic nationalist party, a right-wing party, a party of the white idea. These efforts have not succeeded to this day. There are numerous small movements, initiatives, and groups that are very attractive by their membership and ideology—not only in Moscow but also in the provinces; there have been attempts to unite all these forces—first in the Pamyat, then in the Slavic Assembly, then in the Russian National Assembly, the National Salvation Front [NSF], the Congress... But we still have not pulled ourselves together into a right-wing healthy conservative party encompassing the nation.

What, in your opinion, stands in the way of creating such a party? Is it the result of the social factor, meaning that it is very difficult to build a stable political organism in a disintegrating socium; or is it the result of some psychological confusion of the nation as a whole? Or perhaps our people simply are not prone to uniting into a traditional type party? Is it that the people have different forms of self-organization, different forms of collective self-rule?

[Barkashov] First, I would like to point out that such a party must have a powerful base in the most socially organized groups of society. It should not be, for instance, a group of intellectuals and "politicians" who get together and decide what to do, vote, elect a leadership—and go no further than that. The main factor in realizing the idea proclaimed by the Congress of Patriotic Forces, the Russian Assembly, or the NSF are the Russian people, who are part of different social groups and live in different conditions of existence.

In order for a party to become a mass organization, popular, and capable, we need to first and foremost create an ideology, then a grass-roots organizational structure through which to promote this ideology, and then finally build on this an organization in politically promising social groups. At this stage it is, of course, numerous groups, with little money, going through difficulties because of the current processes, and united by a social attribute. In my opinion, it is first and foremost the military, workers, and the youth. This is where we should look for support.

The failure of all attempts to unite into a single party can be explained perhaps by the fact that objectively these groups were not yet ready to accept the ideas offered to them. While sympathizing with the ideas, they had not yet been brought to such a state as to truly accept them, absorb them, and then reinforce them in the form of creating organizations. I think that now they are ready for this.

I have participated in many congresses and know the standard fare: get them together; proclaim. And personal ambitions: Who sits in the presidium, who will be in charge of this or that. Everything is parceled out, and in two weeks all work already dies down. For some reason secondary things always get confused with priorities. A priority is to prepare the soil, to implant the program, ideology, create a social base, and only then a congress—as a final stage, as a result of what has been achieved.

We did it in reverse order: first a congress—as soon as we proclaim, state, advertise ourselves, everybody will learn about us and run to us—and right away we will have an organization. I have always tried to explain that a congress, a conference is the final stage of work. But everything was done the other way around.

Many of those who participated in the congresses did not sincerely trust the leadership. Hence all these conflicts and ambitions. Because to start serious business with people who have different motives, who are cunning, for instance, does not make any sense—it dooms us all to defeat before we even start.

Now perhaps the time has come for a national movement. We have seen each other—those who truly are sincere, able, who resonate with us in spirit... At the time this was not the case. At the time, we could not sort it all out without trials and errors...

[Prokhanov] I am labeled a fascist—as are you. And my friends, my newspaper are in a way demonized by this label. By itself, the term is neither good nor bad. Actually, I still do not know what fascism is. There are several varieties of political regimes, political trends that are classified as such. Some remained theoretical constructions—such as, for instance, the Kharbin version of Russian fascism; others, such as the Italian version, remained in the shadow of the more powerful European national-socialist movement, with which all negative aspects of fascism are associated. For instance, Latin American variants, which also are called fascism, are completely exotic and absolutely unsuitable for Russian soil...

[Barkashov] If we look at it closer, you will see that the negative points are being over-emphasized, while positive fascism—such as, for instance, in Argentina—nobody mentions...

[Prokhanov] Nobody mentions Argentina, or Brazil for that matter. Neither is anyone talking about the American postwar period, which provided stability, some features of which were close to components of fascism...

After the September-October events Yeltsin established what seems to be a "new Russian order." He thinks that he has established it, and he is now the master of the next period in Russian history. In reality, Yeltsin belongs with the post-Soviet period and is already finished, even though he may rule for another two or three years. As a political figure, Yeltsin is done; he has gone to rot; he is not there, and those who want to take power after him are now surfacing.

For me, such a dark figure personifying very gloomy, cruel parts of our history is Luzhkov with his Moscow group, his banks, where 70 percent of all capital in Russia is concentrated and which he controls through commercial and economic structures. MOST [BRIDGE] is the main one among them. A bridge to where—to hell or to Manhattan? Everything associated with MOST is shrouded in mystery and apparently criminal secrecy.

Luzhkov is gang formations, extremely well equipped—many of them shot at us on the 3 and 4 October—ruthless and cruel, well set-up, billeted in Moscow. Luzhkov is an instant party, a party of the "majority," which is ensuring for itself a political infrastructure. Luzhkov is influence on the highest echelons of the military, to a large extent corrupt and incensed and also representing semi-mafiosi organisms that have merged with similar civilian structures. Luzhkov—and this is the most dangerous part—is a gentleman standing in a temple, standing in front of an icon holding a candle. Luzhkov is a gentleman who contributes billions to the Russian zemstvo movement, who supports and saves impoverished provincial writers and artists...

For me, these groups, which are thirsting to take a dominant place in Russia, are a synonym for everything most negative, cruel, ruthless, colored, strange as it may sound, by the ethnic national idea. This is fascism; this is the real evil and trouble...

As to your movement, along with other small nationalist, well organized movements, I see it more as a kind of an order, semi-military—semi-monk perhaps; an order of Orthodox secularity; in your actions there is an equal share of the political as of the religious and spiritual. How would you yourself describe your movement and the stage it is currently going through?

[Barkashov] Speaking of Luzhkov's criminal formations, they do represent a certain danger. But Luzhkov himself, who, like Yeltsin, belongs to the post-Soviet, Gorbachev period, also is spoiled meat. It is another matter that they may promote someone less stained, because they will be playing along with trends that are promising from the point of view of mass psychology. They do it deliberately, without that inner state that exists within the masses, and the latter will not accept them. If they attempt, however, to hook up to powerful collective energies, they will simply burn up. It is the same as plugging a telephone into a 220V outlet. So far, good

technical equipment is giving them a tactical advantage. But when these energies mature, I think, they will be powerless.

They can fool once again the already fooled people, give them more promises. But when that particular archetype that we have discussed awakens in the people; when people become aware of themselves; when a community of individual energies develops, which turns into a collective one, they can no longer deceive, win, or rule. They will be doomed, no matter how much they cling to power. Yes, it is annoying to part with stolen millions, Mercedes, and dachas. It is annoying to face trials. And frightening. But it is inevitable. Looking at events through a mystical prism, we are not afraid of them, although politically and technically we are still facing a tough battle against them.

Right now, speaking of the current state of our organization, we are going through a period where its solid nucleus is turning into a broad political movement. We have felt that social groups are ready to accept our ideology. We already have the organizational skills, the needed number of organizers to enable us to quickly become a mass movement. But we do not want this movement to be a mere backdrop for one-time use—we want it to be politically mobile, well organized, and with good enough discipline...

[Prokhanov] And in conclusion—about your health. How is your leg? I can see how unaccustomed you are to holding these crutches. When will you be physically rehabilitated?

[Barkashov] Aleksandr Andreyevich, with your prayers... And ours, too. Anyway, everything is fine...

### **Socialist Labor Party Chief on Policy**

944F0595A Moscow ROSSIYA in Russian  
No 13, 6-12 Apr 94 p 4

[Interview with Lyudmila Vartazarova, chairman of the Socialist Labor Party, by Lidiya Timofeyeva, under the rubric "The New Left"; place and date not given: "Socialism With Vartazarova's Face?"]

[Text] It appears that, having had enough "bad" communism and being poisoned by "inedible" neoliberalism, Russian society is timidly trying to taste modern socialism. Last year an attempt was made to unite the democratic left of Russia. This movement was headed by Lyudmila Vartazarova, the current chairman of the SPT [Socialist Labor Party]. Her personality is as out of the ordinary in the party milieu as it is mysterious. There were rumors to the effect that this female intellectual from Moscow, a doctor of economic sciences and a person from the "backwaters" of academia, was being paired as a vice president in the possible early presidential elections with Air Force General Rutskoy and then "general of the military-industrial complex" Yu. Skokov. The future elections may serve up some kind of surprise in her person.

[Timofeyeva] Does it appear paradoxical to you that the motherland of "real socialism" has not produced an authoritative left-wing democratic party since the disintegration of the CPSU, actually, until now? The leaders of the giant party have gone to all kinds of quarters: Some went into commerce, some turned liberal, others—orthodox communists and nationalists, leaving the leftist idea an orphan....

[Vartazarova] This is not quite true. When after the troubled wait for a "paddy wagon" in August 1991 I decided to check who was still alive for thinking and for work, and who had not ultimately been "annihilated," I was happy to learn that there were such people even among the former party elite, for example, First Secretary of the Russian Communist Party Valentin Kuptsov. We tried to bring back the leftist idea and cleanse it of lies and mistakes together with him and other like-minded people.

[Timofeyeva] What is the "leftist idea"? Is it social democracy or socialism, or perhaps social liberalism?

[Vartazarova] Yes, in the broader meaning of the word. Everything that unites people around the ideas of justice, freedom and equality, democracy, and solidarity may be classified as the notion of the leftist idea, adding to it reinforcement of the regulatory role of the state in the economy and greater social protection for the people.

[Timofeyeva] Your colleague and SPT cochairman, the historian and essayist Roy Medvedev, who was considered the domestic precursor of "socialism with a human face," distinguished between social-democrats, socialists, and communists as early as the stagnant 1970's.

[Vartazarova] Of course, there is a difference between us. There are many leftist parties in Russia. With the exception of the Communist Party of the Russian Federation, they are not all that big, and some number altogether three or four dozen people. The SPT of Russia is a liberal party emphasizing the issues of freedom and entrepreneurship. Pavel Kudyukin's United Social-Democrats advocate the idea of self-management socialism while sharply restricting the centralizing role of the state.

[Timofeyeva] How are you, the Socialists, different from the Communist Party of the Russian Federation of Gennadiy Zyuganov?

[Vartazarova] Unlike the Communists, we have socialism as our goal rather than communism. We consider relations that ensure distribution of the social product in proportion to the quantity and quality of socially necessary labor, rather than on the basis of the need to be just. We come out in favor of a socially oriented mixed economy and do not believe that the market is a concession of the period of transition. Both economic pluralism and the market are features of socialism. However, in view of the fact that modern production calls for a considerable concentration of material and labor resources, we have a preference for various forms of collective ownership. This makes it

possible for the members of the labor collective to act as co-owners of their enterprise.

Unlike the Communists, we do not maintain that class solidarity is the only one: It is merely one of the types of solidarity. Besides, we do not have a preference for the ideas of patriotism over the ideas of internationalism, but see them in their harmonic integrity....

[Timofeyeva] How do your principles of justice and equality go along with freedom and democracy? Will you be able to strike a balance between them?

[Vartazarova] There is the notion of "solidary responsibility." This is when you are free to do everything you like but in the process should relate your actions to the interests of those around you. I like a particular parable on which I reflect continuously. A man went out to hunt in the mountains. A misstep caused an avalanche which destroyed a hut and claimed the lives of the people residing at the foot of the hill. The question is: Who is to blame? On one hand, it was his free choice and an absurd random occurrence. On the other hand, there were the grave consequences of this freedom, and the need to think about how our words may resonate. This is how the strategy and tactics of the SPT are structured—we walk on a razor's edge: between freedom and necessity, freedom and responsibility, law and morality....

[Timofeyeva] Your party is sometimes accused of excessive altruism, "eggheadedness," and the inability to put your best foot forward. For some reason, few people know that representatives of 19 parties with a socialist orientation from the CIS countries, Germany, Austria, Switzerland, Finland, Poland, and Bulgaria gathered for your Fourth Congress...and that you held an authoritative international conference on prospects for the development of the socialist idea throughout the world....

[Vartazarova] This is true, we did not engage in self-promotion. However, we did not set this goal, either. We did what we considered necessary. We are now busy with our own business. We have developed and adopted a new party program, and prepared a program for urgent measures to stop the crisis in the country, "New Priorities—the Negotiating Process—Crime Security," and forwarded it to the Duma. We will try yet again to gather all democratic left-wing forces, this time at the Second Congress....

[Timofeyeva] What about your participation in the future presidential campaign? There have been rumors that they saw you as a vice president together with Rutskoy, and then with Skokov.

[Vartazarova] This is the first time I have heard of this. Our party conducted negotiations with the Civic Union; we joined the Coalition of Civic Forces, one of whose tasks was to achieve accord in our society. However, this idea quietly passed away later. Subsequently, we negotiated with Yuriy Skokov about forming a centrist movement in Russia, and I became a member of the Accord for the Motherland committee in September 1993.

Unfortunately, this committee also gave its soul to God.... This is it. Our party may support someone running for president, but only after we familiarize ourselves with his program and come to know him well. We will not select a pig in a poke.

### Program of Party of the Poor

944F0598A Moscow MOSKOVSKAYA PRAVDA in Russian 8 Apr 94 p 2

[“Rules of the Party of the Poor of Russia”]

[Text]

### Economic and Sociopolitical Situation in Russia

The market reform being implemented has brought about the collapse of the economy and the impoverishment of the majority of the population.

The price of food, clothing, medicines, and transport, municipal, and ritual services is growing continuously.

Even basic necessities: bread, milk, sugar, vegetables, fruit, are now beyond the reach of many of our compatriots.

The chronic malnutrition of old people, mothers, children, and citizens without work is leading to an increase in Russians' mortality, the level of which is in Russia higher than the birthrate indicator.

Hundreds of thousands of people are standing in public places with outstretched hand in the hope of charity and are picking up the refuse at dumps and garbage heaps.

The number of suicides and other serious accidents is growing.

The moral degradation of society and the humiliation and disparagement of those who, on account of their age or illness, cannot fend for themselves continue.

Russia still lacks a scientifically substantiated, national program of a way out of the economic and sociopolitical crisis and of the extrication of our compatriots from destitution, hunger, and extinction. The endless political struggle, the rudeness and incompetence of the authorities, and the constant promises and deception of the people are creating an extraordinarily dangerous situation in our society, which is unstable as it is.

There can be only one way out of this situation—the awakening from their silence of the people's masses and the mobilization of their efforts for struggle for their vitally necessary rights and interests and for the elaboration, adoption, and unswerving compliance with the laws on social protection of the citizens of Russia and on this basis for the creation of a mass social movement which would undertake the accomplishment of this noble goal.

The people's masses can only be awakened from their silence by a truly fundamentally new people's party—the Party of the Poor of Russia.

### 1. General Provisions

1.1. The Party of the Poor of Russia (PBR) is a political organization. It is being formed on the initiative of the participants in the mercy movement in Russia.

1.2. The party's motto: "Social justice and protection of the poor of Russia."

1.3. The Party of the Poor of Russia unites in its ranks:

the needy and socially unprotected strata of the populace, to which pertain today: retirees, the unemployed, the disabled, students, large families, the handicapped, and other categories of citizens eking out a wretched existence and in need of support and assistance;

other categories of people, regardless of their party affiliation, religious belief, or nationality, who recognize the program and rules of the Party of the Poor of Russia and who could by conviction render the party the utmost material and moral assistance in the accomplishment of its statutory tasks;

all those to whom such general concepts as "care," "mercy," "kindness," "philanthropy," and "compassion" are dear.

1.4. The Party of the Poor of Russia shall organize its work on the basis of the party's program and rules.

1.5. The party's entire activity shall be exercised on the basis of the Constitution of the Russian Federation, current legislation, and the party rules.

### 2. Purpose of the Party of the Poor of Russia

2.1. The purpose of the Party of the Poor of Russia is to contribute to the building in our country of a society of social justice and social protection and the genuine equality and freedom of all its members.

The Party of the Poor does not aspire to the seizure of power. It is prepared to cooperate with any legitimately elected, strong, and authoritative power which defends the interests of all our compatriots.

The Party of the Poor will support in every possible way authorities and political parties and movements that devise and offer a scientifically substantiated program of the extrication of our powerful state and long-suffering people from the humiliating, shameful condition of the hunger,

poverty, and destitution of the majority of the population. The Party of the Poor would actively support such a program and implement it as far as the forces and capabilities of its members allow.

### 3. Basic Tasks of the Party of the Poor of Russia

3.1. The basic tasks of the Party of the Poor of Russia are:

unification of the efforts of all Russians for our society's speediest escape from the profound economic and sociopolitical crisis;

the creation of a mass social movement capable of championing the interests of the needy and socially unprotected strata of the populace—workers, peasants, and the intelligentsia who are living in poverty and who have become hostage to the totally unjustified reforms which are under way in the country, piratical commerce, and the collapse of production, everyday amenities, education, and health care;

imparting greater organization, plan-conformity, single-mindedness, and perseverance in the actions of the poor for the defense of their legitimate rights and liberties and in the aspiration to be heard and understood by the president and the government of Russia and the organs of state power both in the center and locally;

rendering members of the Party of the Poor in need of social support and care specific targeted moral and material assistance and other types of services;

active participation in the elaboration and realization of an official program of the social protection of the needy and unprotected strata of the population of Russia;

the aspiration to make each compatriot of ours who is experiencing acute material need and who is morally humiliated and insulted by current realities stronger in the defense of his own and the common interests of the people living in poverty.

### 4. Party Membership

4.1. Any adult citizen who recognizes and supports its program and rules may be a member of the Party of the Poor of Russia.

4.2. Membership of the party is voluntary.

4.3. Admittance to the party is effected by way of an individual talk on the part of a representative of the local party organization with the specific individual who has declared a desire to be a party member, with the subsequent entry of his

basic biographical data in the "List of Registration of Members of the Party of the Poor of Russia," which shall be kept in the primary organization with the status of double-check bookkeeping document.

4.4. A member of the Party of the Poor shall be issued a certificate signed by the chairman of the district (city) and equivalent structural organization.

4.5. Members of the Party of the Poor are exempt from the payment of dues.

4.6. Any member of the party may freely leave it, having submitted a statement to this effect to the primary party organization.

4.7. Members of the Party of the Poor of Russia are entitled:

to submit proposals and recommendations geared to an improvement in the life of all strata of the populace and the development of the economy, production, science, education, culture, health care, and other spheres of the activity of society (the state);

to freely express their opinion and discuss all questions of the activity of the party;

to participate in all actions mounted by the party in defense of the interests of their members;

to vote and to run for office in the party's directive bodies;

to avail themselves of the support and protection of the party organization.

4.8. All members of the Party of the Poor of Russia shall have equal rights.

4.9. Members of the Party of the Poor of Russia must strive persistently for:

the achievement of the program and statutory purposes and tasks of the party;

the state and social protection of their rights and interests and also the protection of their party associates against all manifestations of economic, social, national, and spiritual oppression;

a broadening of the influence of the party in society and an enhancement of its authority among the needy and other categories of the population.

## 5. Organizational Composition of the Party

5.1. The Party of the Poor of Russia is a party of the unity of views, interests, and actions of its members.

5.2. The basis of its activity is composed of:

an ability to unite rapidly, promptly, and single-mindedly the efforts of its members for the accomplishment of the specific, tactical, and strategic tasks of the party program and rules;

the high conscious discipline and organization of its members in mounting political actions (meetings, demonstrations, marches, and so forth) in defense of the interests of the poor of Russia;

an ability to reach the impoverished masses of the populace, acquire a profound grasp of their life and everyday existence, be imbued with compassion and concern for each member of society and one's party, and render them human attention and moral and material support.

5.3. The Party of the Poor of Russia advocates the peaceful resolution of all social problems within the framework of the Constitution of the Russian Federation and is opposed to unconstitutional forcible actions.

5.4. The Party of the Poor of Russia shall constantly confer with the people and do their bidding.

5.5. The basis of the party is the primary party organization.

A primary party organization is created according to the territorial principle where no fewer than three members of the party are present by decision of their assembly.

The primary party organization shall be registered with the district (city) and equivalent committee of the Party of the Poor of Russia.

5.6. The primary party organization shall be guided in its activity by the party program and rules and the decisions of plenums of the PBR Central Council and PBR congresses and shall in their realization independently determine the forms and methods of its work.

5.7. The decisions of the primary party organization adopted within the framework of the party program and rules may not be canceled by superior party authorities.

5.8. The directive body of the primary party organization shall be the party meeting, which is competent to adopt all decisions if more than half the members of the party on record are present therat.

5.9. For the performance of current business the meeting of the primary party organization shall elect an executive body (chairman of the board, bureau, party committee).

5.10. The primary party organization shall rely in its work on social commissions, which shall study specific issues of social protection of the populace (pensions, housing-amenity issues, legal matters, and so forth).

The commission chairmen shall be confirmed by the appropriate party authority.

5.11. The primary organizations of the Party of the Poor of Russia shall unite with regard to the administrative-territorial division of the Russian Federation in local (municipal, city, okrug) organizations of the party, and the latter, in turn, in regional (oblast, kray, republic) party organizations.

5.12. The directive body of the district, city, okrug, oblast, kray, and republic party organizations of the Party of the Poor of Russia shall be the general meeting, the conference, and the congress.

They are competent to decide questions if more than half the party members or delegates are present thereat.

The meeting, conference, and congress shall elect the executive bodies (board, bureau, committee, Central Council) of the Party of the Poor of Russia and their auditing commissions for a term of no more than three years, which will organize the work of the party in the period between party meetings, conferences, and congresses and regularly notify the party members and the superior bodies of their activity.

The procedure of the election of the executive and auditing authorities and the election of conference and congress delegates and the representation quota shall be determined by the corresponding party body.

5.13. The highest body of the Party of the Poor of Russia shall be the congress.

The congress shall convene not less than once every three years. A decision of the Central Council on the convening of a regular or special congress, the agenda, and the representation quota shall be announced no later than three months prior to the congress.

A special congress of the Party of the Poor of Russia shall be convened at the decision of the Central Council or on the initiative of no less than one-third of the total number of members of the party or at the demand of one-third of the delegates to the preceding party congress. In this case the congress shall assemble within a month's time and be deemed competent if a majority of representatives of the oblast, kray, and republic organizations of the Party of the Poor of Russia are represented thereat.

5.14. The chairman of the Party of the Poor of Russia, the Central Executive Council, and the secretary of the Central Council shall be elected at the congress.

5.15. In the period between congresses the leadership of party activity shall be exercised by the Party of the Poor of Russia Central Council, which shall at its plenum elect the board and secretariat of the social commissions and determine the numerical composition.

5.16. For the solution of political and organizational questions the party Central Council shall no less than once every six months assemble a plenum of the Party of the Poor of Russia Central Council.

5.17. The Central Auditing Commission of the Party of the Poor of Russia shall organize supervision of fulfillment of the rules and the financial and economic activity of the party authorities and report on the results of its work at party plenums and party congresses.

For the organization of its work it shall elect from its ranks a chairman and his deputy.

Members of the Party of the Poor of Russia Central Council may not simultaneously be members of the Central Auditing Commission.

Members of the Central Auditing Commission have the right to participate in the work of all party bodies both in the center and locally.

## 6. The Party, State Authorities, and Public Organizations

6.1. When accomplishing program and statutory assignments the party may cooperate and interact with state authorities and other political parties and also public organizations which stand on guard of social justice and defend the interests of the poor and needy strata of the population.

It may to this end join various unions, blocs, and associations.

6.2. The Party of the Poor of Russia shall rely closely in its work on veterans' organizations and retirees' professional organizations.

6.3. Organizations of the Party of the Poor of Russia shall draw up and publish their election programs and platforms and nominate candidates for the organs of power and render them assistance and support in the election campaign.

6.4. Members of the Party of the Poor of Russia elected to organs of the power of the people may create party groups (factions) for the purpose of unification of efforts and coordination of their activity in the realization of the mandate of the

electorate and the resolution of political tasks of the social protection of the poor.

The party groups (factions) shall interact with the corresponding party committees both in the center and locally and obtain from them qualified recommendations and support.

- 6.5. The leaders of the local and regional organizations of the Party of the Poor of Russia shall represent the party in relations with the corresponding legislative, executive, and judicial authorities.
- 6.6. The Party of the Poor of Russia Central Council shall represent the party in relations with the central legislative, executive, and judicial authorities.

- 6.7. The Party of the Poor of Russia Central Council shall represent the party in relations with state structures and party and public authorities of states of the near and far abroad and international organizations standing on guard of the social protection of the populace.

## 7. Monetary Resources and Assets of the Party

- 7.1. The activity of the Party of the Poor of Russia and its organizations shall be supported by financial and material and technical resources from party income.

- 7.2. The monetary resources of the party shall be formed from:
  - voluntary donations and contributions of commercial and other public and philanthropic structures;
  - the assistance (donations) of the citizens, of other countries included;
  - income from production-economic, commercial, and publishing activity;
  - other receipts not conflicting with current legislation.

- 7.3. The budget of the Party of the Poor of Russia and its structures, the procedure of allocations to it from the income of local party organizations, and the report on administration of the party budget shall be confirmed by a plenum of the Party of the Poor of Russia Central Council and conveyed to the party members.

- 7.4. All party organizations shall be independent in the disposal of their budget and the solution of staffing, production-economic, and commercial questions.

The budget of a party organization shall be examined and confirmed by the party bureau or party committee.

- 7.5. Property of the Party of the Poor of Russia is property of the whole party.

Enterprises, buildings, installations, equipment, transportation, inventory, assets, and monetary resources and also other assets necessary for the accomplishment of the party's statutory tasks shall be objects of the right of ownership.

- 7.6. Party bureaus, committees, and auditing commissions shall notify the party members annually of the state of the party budget and the expenditure of funds.

## 8. Party Symbols and the Press Organ and the Location of the Party's Central Authorities

- 8.1. The Party of the Poor of Russia shall have its own flag, anthem, motto, emblem, and lapel badge, which shall be approved by the congress.

- 8.2. The location of the Party of the Poor of Russia Central Council shall be the city of Moscow.

## 9. Procedure of Registration and Termination of the Activity of the Party

- 9.1. In accordance with current legislation, the rules of the Party of the Poor of Russia are to be registered with the Ministry of Justice of the Russian Federation.

- 9.2. The activity of the Party of the Poor of Russia shall be terminated in accordance with a decision of a congress (conference) of the party or a decision of a court of law.

- 9.3. In the event of the adoption of a decision on termination of the activity or the disbandment of the party, all questions connected with organization of the liquidation process shall be determined by a special party congress. It will decide questions of use of the assets and monetary resources of the party and form a public liquidation commission.

- 9.4. In the event of termination of the activity of the party in accordance with a ruling of the Supreme Court of the Russian Federation, all property, financial, and other questions shall be decided in accordance with current legislation and these rules.

## National Doctrine of Russia (Problems and Priorities)

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[Title page, preface, list of authors, table of contents, summary (original text in English), and foreword of special publication *Natsionalnaya doktrina Rossii (problemy i prioritety)* (National Doctrine of Russia [Problems and Priorities]) by authors' collective led by Doctor of

Historical Sciences and RAEN Academician A. I. Podberezkin, president of the international nongovernmental scientific-research organization "RAU-Korporatsiya," Moscow, RAU Corporation/Obozrevatel Agency]

[Text]

[Preface]

**From the "Most Gruppa" [Bridge Group] Limited Partnership**

Our time is defined as a "transitional period." Everyone agrees with that. It affects all aspects of the country's life. It is not possible for one part of society to be restructured, while others await their hour. Such impulsiveness is harmful for that society, although the objective nature of the reform process does presuppose its own leaders and outsiders. But in all cases, it demands new basic ideas.

From this standpoint, the collective work of the authors of the *National Doctrine of Russia* (problems of formation and priorities) is an interesting attempt, essential to society, to outline and to a certain degree develop the range of problems which society must comprehend in order to move forward. The very science on society also demands development.

The reader will not find a precise and exhaustive formula, the "National Doctrine of Russia," in the collection. If such a thing is even possible, it is obviously the fruit of the labor of more than one authors' collective. The fact that the labor is collective inevitably entails a difference in the approach to particular problems.

One may confidently predict that this work will elicit criticism, controversy, and objections, and not only in scientific circles.

Nor does the leadership of the "Most Gruppa" Limited Partnership fully share certain ideas and principles of the *National Doctrine of Russia*. Above all, we take issue with the idea of its economic substantiation. It is distinctly one-sided in nature. There is no constructive alternative offered to criticizing the idea and practice of monetarism. There is no new "model" of socioeconomic progress.

The thesis of the unification of the all-Russian people clearly needs further development, modification, and substantiation. Narrow "Russianism," which risks collapsing into nationalism and chauvinism, and Russophobia are equally alien to the all-Russian popular mentality. Patriotism combined with an internationalist attitude toward all the nationalities inhabiting Russia, which historically, culturally, and socioeconomically have gravitated toward the nation with the largest number of people—that appears to be the way to all-Russian unity. This theme is an important and extremely delicate one which requires exact and precise points of emphasis. In this connection, it is clear that the problem

of the Russian-speaking population is growing into anxiety over the fate of Russian Federation citizens in the states which have emerged on the territory of the former USSR.

The section "Russia's Military Security and Military Policy" also elicits some objections. It occupies a disproportionately large place in the collection, although the topic itself is undoubtedly very critical. But it turns out that the purely military component has absorbed the authors to the detriment of the constructive peace-keeping aspect of military policy. History proves that it is better not to have enemies than to fight with them. More specific but also important comments may be made. Most likely, in speaking of the "population's health" in contemporary conditions, it is wrong to ignore the system of insurance medicine which is taking shape. Sufficient attention has been devoted to the role of the Russian Orthodox Church, but other religions have been ignored, above all Islam, whose influence on politics recently has risen substantially.

Nonetheless, despite these and other possible comments and guided by the motives mentioned above, the "Most Gruppa" considers the publication presented useful and timely.

Ye. Ivanov, chief of the analytical service.

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**[Summary, original text in English]**

**Summary (Special Issue)**

[Translator's Note: The summary, presented in English in the original text, is typed as is, with the exception of punctuation, spelling, and typographical errors corrected]

Dear reader,

This special issue of the RAU Corporation's weekly "Obozrevatel" is devoted to Russia's national doctrine.

Neither the authors nor the independent experts who contributed to this issue, says the preface, make believe that their materials are exhaustive and complete. We just attempted, they assert, to find approaches to the solution of the problem. Some problems are only raised in the text. What is important is that those who have the power of decision-making could make a choice out of a wide range of substantiated proposals. We offer the following strategy of overcoming the crisis in which Russia finds herself:

To begin with, it is necessary to stop the political struggle in its extreme forms. Efforts should be exerted to strengthen the legality, the public peace and order, and the executive discipline without which the authorities are helpless. In other words, it is necessary to strengthen the State.

Secondly, it is necessary to improve the living standards of Russian citizens and, above all, to increase the social protection of the poorest and weakest sections of the population—the old people retired on pension, the children, the sick, and the disabled.

And, thirdly, it is necessary to uphold the unity, the economic and political independence, and to restore Russia's intellectual potential.

They all discuss a series of measures to consolidate the State and to restore the nation through awareness of its interests.

Let us recall what ran through all life and activity of our glorious ancestors, beginning from the great princes of the Kiev Rus. It was a struggle for the unity of the Russian lands. The unity always spelled calm, prosperity, and welfare, whereas war and conflicts always meant grief, bloodshed, and devastation. This has always been the case, like it is today. We are all witnessing a terrible phenomenon which is out of our control—the decline of a great power with all traditionally resultant consequences.

It is not accidental, therefore, that a central topic of the report supported by all its chapters is "The Unity of the Russian State." The foundation of this unity, claim the independent experts, is civil peace and agreement. No matter what the situation might be, the State should not be made dependent on the "victory" of some views or political forces. Ambitious politicians, even most conspicuous, come and go, whereas Russia remains. Any political victory will turn into a defeat if the State is hurt and confrontation in society becomes rampant.

In this connection, the interests of the State warrant that the mechanism of independent branches of power—legislative, executive, and judicial—be brought into play. In other words, it is vital to create real counterbalances that could guarantee democratic development within the framework of law. It is also of utmost importance to lead the country out of the crisis and to gradually form strong democratic grounds of civil society, because true democracy can exist only in a society free of the deadly threat to the State and the nation.

The authors of the report hold that the krais and oblasts of Russia as subjects of the Federation should be equalized in rights with the Republics with a possible later transformation into integrated entities (gubernias, lands). The broader is the level of local self-government, the stronger will be the real integration between the subjects of the Federation, including the "Russian regions." The fuller is the integration, the less is the opportunity of "self-dismemberment" of the Russian nation. The rights of national minorities and guarantees of cultural autonomy should be a part of the Constitution. In these conditions, runs the report, a clearcut division of competence between the central and local authorities and the self-government bodies is very important, because excessive "sovereignty" may turn the Federation into a weak, poorly controlled confederation, which, under the presently weakened government, spells an eventual collapse of the State.

Occasional threats to secede from the Federation run counter both to the Constitution and the Federative Treaty and, therefore, contend the experts, have no legal force and should be resolutely rejected. It is wrong and out of the question to extend the rights of subjects at the expense of the other nations' interests and the interests of all peoples of the Federation who also enjoy this right. The principle of self-determination defends the interests of all peoples and curbs nationalist egoism. For this reason, it continues to underpin the nationalities policy.

The cause of ethnic conflicts is neither democracy nor the extended rights of the peoples. The authors are inclined to think that the off-shoots of democracy and the hopes of the peoples for national restoration have become a hostage of extremist forces, various political adventurers, and criminal and corrupted structures. Some nationalist movements, which came to exist as forces oriented towards preserving and restoring the original cultures of their peoples and insuring their social, cultural, and language survival, have slid down to

political radicalism and extremism. They are attempting to secure the freedom and rights of their own people through infringing on the freedom and elementary human rights of the neighboring peoples.

The report suggests that the Federal authorities should be more consistent, constructive, and principled in these matters because if the nationalities problems, which the extremists play up and use for their interests, are not solved from "above" in relatively civilized forms, they will be solved from "below" in ugly forms. It is high time to summon a special meeting of Russia's peoples to examine the strategic, political, and legal aspects of inter-nationalities relations. We should bring back to life the time-tested values of friendship between all nationalities to unite them.

The main hotbeds of ethnic conflicts in Russia today are the territories populated by the peoples severely repressed in the past (Chechens, Ingushes, Kalmyks, Karachayevs, and Balkartses). Russia's authorities have long since been seeking to settle this problem, which dates back to bygone times. With this aim in view, Russia's Parliament adopted the Law "On the Rehabilitation of the Repressed Nations." It is a good law and it has many positive features. But, according to experts, its provision on "territorial rehabilitation" was a mistake. Many a decade has passed since certain nationalities were resettled from their native lands. They were moved over to other regions of the country. Other nationalities came, or were often driven under compulsion, to settle down on the vacated territories. They have lived and worked here since, in the houses they built, with their families, children, and grandchildren. And now, under the above Law, they are to leave and move somewhere else. Specifically, this is the root of the bloodshedding conflict between the Ossetians and the Ingushes. They are fighting for the possession of the Prigorodniy district of the Vladikavkaz city, which used to belong to Ingushetia before the compulsory resettlement. The struggle is fierce, with no compromises. And although a moratorium was announced concerning the above-mentioned article of the Law, it makes no difference now. Blood has been shed, and both sides are still on the warpath.

The report makes a conclusion that the forcible resettlement of citizens now inhabiting the lands formerly occupied by the repressed nationalities is impermissible. Efforts must be made to define the legal, economic, and social guarantees of their protection. After the euphoria of adopting the new Constitution, which is a roadblock to separatism, it is necessary to follow up with resolute and prompt joint actions in the interests of people.

The authors of the report are fully aware that neither of the former Soviet Republics, including Russia, could become within such a short span of time a fully independent state capable of functioning normally without each other.

The effects of the initial period of trying to win sovereignty, when the Baltic countries and the Ukraine strove,

in fact and above all, for independence from Russia, are still felt. The said countries sought power and strong statehood on the basis of anti-Russian sentiments and laws. Paradoxical as it were, they simultaneously wanted Russia to supply them as before, on unprofitable for this country terms, with raw and other materials, completing parts, and especially fuel and energy. It is but natural that such approaches could not become constructive and led to a host of problems, tensions, setting up of frontiers, increasing debts, halted deliveries, and, in the final analysis, the rupture of economic relations and the general economic depression in all countries.

Therefore, the experts presume that in supporting the process of creating a common economic space, expanding the ruble's zone, and promoting other re-integrational processes, Russia is obliged to be aware of its own interests. Russia's support of the above processes should be steady and insistent, but extremely delicate and weighted. It must be based on the following principles: search for common interests rather than emphasizing differences; respect for own and others' interests; recognition of the interests of people rather than those of politicians; and historic responsibility for peace on one-seventh part of the Earth.

The report also deals comprehensively with problems of "Civil Society and the Ways of Its Formation" and "Crimes in Russia and the Country's Security."

Speculating about Russia's destiny and its national security, we cannot avoid touching upon the lot of the Russian people themselves, who, contend the experts, are in a great jeopardy. Having defended not only own independence, but also the independence of other nations united by common historical development, the Russian people find themselves today in a difficult situation because a large portion of Russians (25.3 millions) live outside the boundaries of the Russian Federation.

For the first time in the history of Russia, we observe so vast a breakup of the Russian ethnic space, which is in itself fraught with potential conflicts. The "Russian problem" is shaping up before our eyes. It includes the following components: Russians and the Russian language speaking population in the "Near Abroad" are being made "second rate" citizens or citizens without nationality (adoption of laws on national languages in the former Soviet Republics gave a start to this process); ousting of the Russians from the newly formed countries; an inevitable rising of Russian national movements in these countries; the allying of these movements with the Russian national (or nationalist) movement in Russia herself; and the turning of the "Russian problem" into a decisive factor in the interpolitical struggle in Russia.

In this connection, the report suggests that the Russian statesmen should pursue the following aims: to introduce bilingualism in all the new states—the national and the Russian languages; Russia should actively support the establishment and consolidation of Russian language

communities, including cultural and national autonomies; the "Near Abroad" countries should grant double nationalities to all Russian-origin citizens at their request; financial support should be extended to Russian culture and education; to energize all Russia's foreign policy endeavors to support her just demands for observance of human rights and liberties in the "Near Abroad"; and to immediately sign agreements with the former Soviet Republics on issuance of citizenship, protection of the national minorities' rights, migration, legal aid, pension schemes to retired old-age people, mutual recognition of university and other academic diplomas, and establishment of consular offices.

The conduct of a severe policy is recommended in respect of those countries which defy civil rights, up to applying economic sanctions.

The chapter on "Problems of the Socioeconomic Situation in the Country" holds an important place in the report. It stresses that the 2 years of drastic reforms have resulted in a 40 percent slump in production, a three-fold decrease in the population's living standards, a 25 percent reduction in labor pay, and a galloping inflation. By the end of 1993, Russia had fallen out of the world labor division. Its economy was thrown a long way back into the past.

Russia's share in world trade has dropped very significantly. Its relations with the West can be described as an economic blockade. World markets are closed to Russia. Credits have been, in the main, extended to enable poor Russians to buy grain from the rich Western farmer.

In the last 2 years alone, investments in the Russian economy have shrunk more than two-fold, which is a roadblock not only to economic restructure, but to elementary growth of production as well.

The refusal of the State to regulate economic and social processes turned into a total loss of manageability. The world's experience of state regulation has been completely ignored, especially the experience of the countries with socially-oriented market economies. As the result, the vacuum of state control is increasingly filled, on the one hand, by expanding narrow-group and regional separatist interests and elementary plundering of national wealth, and, on the other, by the real and no less dangerous authoritarian rule. There is no control over prices and incomes and the distribution and redistribution of material and financial resources.

Especially important from the point of view of a multi-million country's national security is the agrarian economic sector because the lack of own foodstuffs cannot be replenished in any manner. Even kneeling for aid before its rich neighbors, such country cannot escape starvation because no effective aid can be furnished for 150 million starving people.

Unfortunately, there are grounds for concern in this sphere. The experts argue that presently the financial, tax, prices, crediting, and investment policy in the

agroindustrial complex has fully paralyzed the economic activity of agricultural producers.

To begin with, the large specialized production, which, in the main, matched in efficiency the world standards, is falling to pieces. In animal production, for example, only one-third or a little more of its powerful capacities are used for lack of feeds. It will take at least 12-15 years of the hardest work to recover the losses in animal husbandry.

The state programs for better soil fertility and enlarged production of farm machinery and implements have been suspended. Practically all social programs to help the countryside—road construction, gas and electricity supply, communications and water supply, housing and cultural and welfare facilities—have been canceled. From 1991 to 1993, investments in this industry plummeted seven-fold.

More than 3 million hectares under grain crops remained unharvested in 1993. Only 70 percent of acreage has been sown to winter crops for 1994. Sixty-six percent of the needed areas were plowed in the autumn. About 4 million hectares were undersown to winter crops for lack of fuel and equipment.

The authors of the report opine that if the state fails to support agriculture it will not survive. Together with it, all other economic sectors are going to fall to pieces. The world experience indicates that in countries with a highly industrialized agriculture, the latter enjoys state support. The report contains specific recommendations on this point.

The report also reviews the regional economic policy and a package of social and financial measures, Russia's foreign debt, and the ways to handle them.

From a deep study of the situation, the report arrives at the following conclusion: there is a progressing tendency to make the Russian economy dependent on the world market and the developed nations. Many measures of the Russian Administration today are, in fact, anti-market, anti-entrepreneurs, and anti-state.

Now it is clear that the transitional period to the new economy will take many years. Taking into account this fact, the Government and the Central Bank should formulate a long-term economic, crediting, and monetary policy based mainly on state economic regulation of the economy and the creation of favorable conditions for entrepreneurs' production activity.

In the present conditions in our country, the high crediting rates give rise to a quick growth of prices and continued devaluation of money. According to the experts, the growth of commodity production may be given a quick push through decreasing the crediting rates, a speedier turnover of funds, and mission-oriented crediting of the economy. Consequently, these measures will enhance the economic effect for the creditor and the producer and help overcome the inflation.

It is necessary to alter the economic policy and the strategy and tactics of the economic reforms, i. e., to give priority to domestic manufactures, businessmen, agrarians, farmers, and workers.

The next chapter of the report is entitled "The Creation of Favorable International Conditions for the Reforms in Russia."

It is clear that the calmer is the international situation around a country, the more opportunities it has to deal with its internal problems. The experts presume that Russia's priority task is to normalize and stabilize her relations with the CIS nations and to work out a system of coordinating both the common policies and the specific actions to insure mutual security. Special attention should be paid to the conflicts underway in the CIS countries and between them, including armed conflicts.

Russia's long-term security interests call for the following: to preserve the general world stability capable of withstanding local armed conflicts; to maintain normal relations with all countries, primarily with the European and Asian nations; to turn these relations into partnership; to strengthen the peace-making opportunities of the UN and the CSCE; and restore Russia's prestige as successor of the former Soviet Union, a power recognized by the world community.

Special attention should be turned to the NATO's changed policy. The international community could not help being put on the vigil by the NATO's attempt to dictate its will to other countries, specifically its ultimatum to the Serbs. For the first time during its existence, the NATO dared to shoot down the planes in the no flying zone. A radically new element in the NATO's latest policy was an extension of the bloc's "zone of responsibility." The meeting of the NATO Council in Oslo decided to conduct "peace-making operations" under the aegis of the CSCE, which means that the NATO can use its troops all over Eurasia—from Yugoslavia to Tajikistan. Thus, runs the report, a concept has been developed oriented toward the bloc's interference in the home affairs of other countries.

The authors of the report opine that the Russian politicians should firmly oppose the NATO's extension at the expense of its close neighbors—the CIS nations, the Baltic countries, and the East European states. Strategically, the NATO's extension could increase the possibility of the engagement of its troops over a wide frontline—from the Baltic countries to the Black Sea—and to the revision of the land and sea limits for hostilities. The now transparent and friendly frontier could again become, with the passage of time, an "advanced post." All this can unprecedently restrict Russia's opportunities for insuring her security.

The fifth and sixth chapters of the report ("Overcoming the Conflicts and Collective Security" and "Russia's Military Security and Military Policy," respectively) specify the two most principled points of security touched upon in the preceding chapter.

In the presentday conditions, the CIS nations should not be as careless and nearsighted as to attempt individually to provide own security. In this connection, the report supports the Treaty on CIS Nations' Collective Security. The key provision of the Treaty stipulates that any Signatory subjected to an aggression shall be extended the necessary assistance, including military aid. The Signatories agreed to form special forces to maintain peace in the CIS countries. The principles of forming and the procedure of functioning of these forces are formulated in the Protocol on the status of military observers' groups and the collective peacemaking forces. The principles of instituting the central defense authority were discussed in 1993 in Ashgabad.

For the time being, these accords are only on paper and Russia's task is to display maximum political will to make the Treaty work.

The experts maintain that it is necessary to work out and adopt, as soon as possible, the major principles of the military policy of the parties to the collective security system and to formulate the military doctrine of collective defense, focusing attention, specifically, on coordination of all CIS nation's defense efforts.

It is expedient to extend the guarantees of nuclear security to all CIS countries, to establish within the CIS framework powerful mobile peacemaking forces, and to coordinate the mechanism of their employment.

Further on, the report draws attention of the Russian policy makers to the obvious fact that military security is a part of the common problem of insuring national security, which, in turn, is interrelated with the problem of regional and global security. Of course, the contemporary civilized world recognizes that war cannot be used as a political instrument and that the use or the threat to use military force for achieving political, economic, or other aims should be ruled out.

However, it would be a mistake to ignore the fact that many countries possess strong armed forces and the systems of their basing near the Russian borders. Many American military bases, which were created during the "cold war" period to exert pressure on the USSR, are still functioning. Some reduction of the armed forces by several large powers (the United States and other NATO countries) is being compensated by the introduction of new, more effective types of armaments.

Improvement of nuclear weaponry and other means of mass destruction continues. Neither should we let out of sight the lessons of history which teach us that the military and technical superiority over a potential enemy were frequently used to attack it.

Security, runs the report, cannot be considered achieved, unless it is guaranteed and reliable.

The report clearly defines the defensive nature of our military doctrine. The main tasks of Russia's military policy, it points out, are to prevent war and preserve

peace, and to insure national, regional, and international security. Military force can be resorted to for the sake of defending state interests when diplomacy proves inadequate and ineffective. In case a war is imposed on us, we must be ready to beat back the aggression, to defeat the enemy, and to create the conditions for a quick termination of the war.

The development of nuclear arms should serve to consolidate the strategic stability through containing the enemy's plans to use them. It is vitally necessary that Russia keeps its status of a nuclear power over the foreseeable future. Apart from the strategic defense tasks, this enables Russia to provide nuclear guarantees to the former Soviet Republics as an element of the agreement between them on military matters.

History teaches us that it is the people's strong spirit and morale that helped our country to emerge victorious from great difficulties and terrible troubles. Lack of high morals is the first sign of a dying civilization. This is the main idea dealt with in the chapter "The Formation of the People's Spiritual and Moral Values."

The formation of the nation's spiritual and moral values, runs the chapter, is the cornerstone of restoring the great power. The national security doctrine must be based on a national idea which, in turn, is the major condition for all reforms.

Today, the public begins to understand that the economy as such is only a means of society's development rather than the aim, that it is a built-in part of a unique system of public relations, cultural and intellectual life. And it is this system that should be discussed in the first place.

The authors assume that Russia's self-consciousness, which is coming to life again, tends to restore its historical continuity in all parameters. The period of unpunished Russophobia is a bygone time. Hence, the struggle of various political forces for personifying most precisely and truly the expression of the "Russian idea" will be a major element in the struggle for power in Russia. And this struggle has already commenced.

The chapter draws attention to the fact that there are quite a few people who announce that this is "the end of Russia." These are Smerdyakovs in a democratic wrapping. This country, they say, "is unfit for human living." It is clear that the people who have built a great power, who defeated the fascist hordes in the last world war, and who produced world famous thinkers, writers, musicians, and painters, cannot be defective and inferior. It is clear that these "conspicuous," "famous," and "prominent" personalities are lying, and with a purpose in mind. The transition to market relations makes everything, including interpretations of history, a commodity. The law of demand and supply govern the respective relations. The demand is determined by the requirements of the economically and politically strong powers of the world. Meanwhile, the historical truth is necessary to all—the communists and the liberals, the rightists and

the leftists, the conservatives and the progressive-minded people, provided they are seeking to restore Russia's good name and standing. The past, even its most tragic events, should be overcome and not rejected or betrayed. Otherwise, the country becomes a hostage of its past.

The work underlines that the country's moral and intellectual potential depends on the development of its culture, science, and education. Unfortunately, the existing situation in science, according to Russia's leading scholars, is catastrophic. The State's refusal to fund this sphere has led to such a "threshold of lagging behind," which makes problematic real research activity within the framework of the world's scientific system, or even impossible in many fields.

The independent experts recommend that the Russian Government finance from the state budget in 1994 at the level of at least 2.3-2.5 percent of the country's GNP and increase the funding in the next several years to avoid immigration of scientists abroad and to make them interested in working in their native country as effectively as they can.

The utilitarianism which is now prevalent in society, claim the authors, has considerably dehumanized culture and destroyed many cultural values, offering practically nothing as substitute. We have substantially violated or lost the traditions which underpinned the spirit and morals of the preceding generations. The ability to reproduce the culture of the people has lessened. Time is disjointed in the minds of the young generation. They are not sensitive to the integrity of the world which is a *sine qua non* condition for the reproduction and development of culture. In this context the uppermost task is to restore the continuity of generations, to implant in the young people's minds the historical roots stretching from the past of their people and all mankind to the present time and serving as a connecting link between them. Unfortunately, the prestige of high morals, intellectuality, education, and upbringing has fallen in our country to the lowest mark in the history of the 20th century. Culture should hold a special place in this process.

The cultures of the peoples of Russia, argues the report, are called upon to consolidate cultural unity and integrity because Russia's multinational culture as such is a historically formed integrity, a united culture.

The Russian Orthodox Church could serve as a spiritual support in Russia, hold the authors. The Russian Orthodox Church has a vast historical experience of uniting the peoples and cooperating with other religious confessions in Russia.

The final chapter, "Russia Before the Elections" [correctly, "Russia Faces a Choice"—translator], reasons out that the central problem in 1994 will be to restore the authority of the state power in Russia and to establish an effective mechanism of enforcing the laws and controlling the fulfillment of adopted decisions. The chapter

offers a series of forecasts of Russia's possible economic growth and the political situation in the current year.

[end of English Summary]

#### [Foreword]

#### To the Reader

In 1993, in a special issue of the information-analysis weekly *OBOZREVATEL-OBSERVER* entitled "National Security: Russia in 1994," the experts of the RAU-Corporation centers and the authors of the journal proposed their variant of a solution to the crisis. The report was intended for persons formulating and making political decisions or actively participating in their preparation. Above all for deputies of the Federal Assembly of Russia. We received a multitude of responses and requests to cover this topic more extensively and present it in a more deeply political-philosophical perspective. That is why readers are now offered a broader variant which may be the platform for debate on the **National Doctrine of Russia**.

Today as never before, we need a critical analysis of the path which has been taken, a clear objective of society's continued development, and pursuit of the most efficient ways to achieve that objective. A great world power now stands at a historical crossroads: there is no way back, but the choice of a new path is yet to be made. In a very short interval of time, the country has moved from one historical period to another:

- the **state structure**, institutions of power, and the attributes of that power have changed radically;
- in Russia the former **political system**, the basis of which was the CPSU's monopoly on power and ideology, is finished;
- the ratio of **forms of ownership** in the RF [Russian Federation] and the entire system of **social interrelations** are changing rapidly;
- **interethnic contradictions** within Russia and problems with the former republics of the USSR which are now sovereign states are increasing;
- the **status of our great power** in the world community and its interrelations with foreign states have fundamentally changed;
- the nation's spiritual potential, the basis on which the power of the Nation and the State have rested since earliest times, has been weakened.

All these changes have fundamentally altered the situation in Europe and Asia and the entire geopolitical map of the world and created a serious crisis which has affected not only the republics of the former USSR, but a large number of other countries of the world, which to one degree or another has had an effect on all aspects of the life of humankind.

It is important to emphasize two fundamental features of these changes which have led to an extremely serious crisis in Russia.

**First**, objectively crisis phenomena are characteristic of any "transitional period" and reforms of this scope. Consequently, it is essential not so much to seek subjective errors or even catastrophic miscalculations of particular politicians and parties—history will evaluate them—as to try to find the **patterns and particular features of this "transitional period"** in order to use the analysis of them as a basis to propose the right solutions.

**Secondly**, the crisis period must not be chronologically restricted to any narrow framework: the "Gorbachev period," the "Yeltsin period," and so on. The sources of the crisis are much deeper, and each of the stages was only a continuation of the chain of errors of the previous ones.

It is essential to clearly define present and future **Russian national interests** which satisfy both the interests of individual citizens on the whole and of the entire human race. Among them those upon which our state's very existence depends must be singled out and possible measures to realize them must be proposed.

We think that the two top priority ideas in the **National Doctrine** of Russia—the **greatness of Russia** (the state) and the **greatness of the Nation** (the national and the social aspects)—must be clearly and concretely defined in the political programs both of the president and the Government, and of the parties, public organizations, and other influential political forces. As soon as that happens in **practice**, this will signify the Authorities' **actual choice** in favor of national-patriotic development (and in favor of the class of owners and advocates of a socialist orientation forming on a national basis) and rejection of a dependent "comprador" [national servant of foreign companies] path of development.

In our opinion, the most important thing **today** is to prevent the Russian State from becoming weaker and collapsing. This is impossible using only traditional administrative-state or financial methods: that is not enough for Russia. We should revive the **Russian idea** and form a foundation of unity—a **national doctrine which represents views recognized by most nations on the objectives and tasks of development of the society, the Nation, and the State, the character of the state order, and the direction and methods of the state order's development**. In light of that, the national doctrine is based on the economic potential which has taken shape and the existing system of interstate relations and is formed and realized in the system of interstate relations which has taken shape.

In the most critical periods of our Fatherland's history, the mighty reserves of the Russian people's spiritual power saved the nation. The Russian idea plays a most important role here. It is based on the concept of conciliarism [sobornost] as uniting people for the sake of reviving the Orthodox faith and the prosperity of the Fatherland. The Russian people's devotion to the idea of

**statehood** is historically established. Only state power is capable of keeping the anarchic pursuit of the truth on an evolutionary course.

Yet another crucial feature of the Russian idea is the openness of the Russian national character to all peoples, that is to say, tolerance of and receptivity to other beliefs and traditions and amiability toward neighboring peoples. These are precisely the qualities always used by people who would like to dissolve universal love for one's neighbor into abstract "common human values."

It has long since been time on the **state level to announce the need to restore great power status**. Because of its unique geopolitical position, Russia has the opportunity to take a worthy place in the community of the 21st century and become a truly highly developed world power. Russia's geopolitical uniqueness is that it is not Europe and it is not Asia. Russia is Eurasia. It is precisely by virtue of its geopolitical position, history, particular features of spiritual development, and many other factors that Russia appears as a **unique phenomenon** in the development of all humankind. Consequently, disputes over what country Russia should focus on in its development are meaningless.

We have always been proud of our Russia, its past, its ancestors, and its **Legacy**. People have tried to take this pride in the Fatherland away from us, but the Nation did not allow this to happen. The stormy process of restoring national self-consciousness has begun. One of the mistakes of our Government, the president, and his circle is that they seldom talk about this with the people. **The Nation must restore its dignity, see historical perspectives clearly, and feel confidence in tomorrow and its own strengths.**

We must not allow extremism to triumph in Russia again. So it is essential that the **idea of great power status is the state ideology and political practice, and ultimately—state policy**. All citizens, state institutions, and branches of power must give all-out support to the idea of great power status, which must become the Nation's dominant ideology.

The Federal Assembly began work in a critical and dramatic period of Russia's history. The future of Russia largely depends on the decisions the legislative and executive organs of power make. Whether we continue to sink into crisis or begin to recover slowly and with difficulty is the dilemma.

Let us recall that the year 1992 entered Russia's history as a year where the mortality rate exceeded the birth rate for the first time in peacetime. During the last 5 years, 25 million fewer people were born in Russia than in the previous 5-year period, and the nation's capacity for self-reproduction has already been called into question. Even according to official statistics, Russia's population in just the first 9 months of 1993 declined by 522,600 people.

**Natural Movement of Population in Russia During the First 9 Months of 1993 and 1992 (According to Goskomstat [State Statistics Committee] Data)**

Category	Number of people, in thousands		Converted to Number per 1,000 in Population	
	1993	1992	1993	1992
Number of People Born	1,063.4	1,240.4	9.6	11.1
Number of People Who Died	1,586.0	1,323.6	14.3	11.9
Natural Increase	-522.6	-83.2	-4.7	-0.8

Today more people in the country die "random deaths"—from accidents, mishaps, and the like—than die from cardiac and oncological diseases taken together. **The Nation is on the threshold of degradation.** This sad outcome is the result above all of negative socioeconomic factors. That is the price paid for the wrong path of development chosen. The country finds itself without state borders, with an undetermined social-economic order, and with a Constitution adopted by a minority of the population.

What direction will future historical development take? Where is Russia's optimal path of development which best fits its national interests and the interests of development of all humankind?

In recent years, certain at times "Western" and at times, on the contrary, "Eastern" models of development have been aggressively thrust on society. But Russia cannot follow either one of these paths which are acceptable for other civilizations and peoples. Thus, for example, one representative of Western society (the average statistical Western European or North American) at the present time accounts for 50-70 times more resources than one average statistical South American or African. We must simply learn the obvious truth: **Western society lives at the expense of other countries.**

No, we must seek a path of development based on using our own wealth and resources—which we have more of, incidentally, than any other nation, but which are used extremely inefficiently.

Before beginning treatment, we must make an accurate diagnosis, that is to say, we must soberly and impartially assess the condition which the country is in. We must understand the reasons for past tragic events. We must abandon the habit of making the analysis and assessment of what is happening match the objectives of particular political parties, ideas, and leaders. We must make the interests of the country and the people as a whole paramount. We must also abandon reformer-neodogmatism, which is already becoming an obstacle to development and progress.

On this basis we can start the path to accord among the various political forces. It is impossible to formulate the right policy and combine efforts to fulfill a joint program for getting out of the crisis when we are divided.

The main barriers on this path are the distribution of power, the redistribution of ownership, and political and

personal ambitions. After rejecting them, we must make a search for a strategy and tactics of cooperation in conditions of political and socioeconomic crisis.

The authors' collective, independently of the experts, in no way claims that the material presented is exhaustive and complete. It is important that those who have the right to make decisions have the **opportunity to choose from a broad range of substantiated proposals.**

Today, unfortunately, there are frequent cases where wrong, mistaken decisions are not only proposed but even made, and then the state and society suffer from them. In order to avoid that, it is **important to use all possible ways to encourage independent experts to develop different drafts and variants of political decisions, and subsequently to discuss them extensively.**

Such an approach is especially important in working out complex **problems of the state's security and development strategy**, since up to now many important issues have been researched and decided in practical isolation from each other, which has done and continues to do enormous harm. For example, the seemingly correct decision to reach weapons parity with the NATO countries resulted in a severe weakening of our economic security. The pursuit of gross indicators and the lack of a systematic competent notion of the living environment created ecological disasters involving serious violations of the biosphere as a result of human activity (Chernobyl, territories of the Far North, and many industrial regions).

Or take the latest examples. While truly striving toward conversion, the country's leadership has in fact destroyed the military-industrial complex, and we have ceded world weapons markets to Western countries and now are incurring enormous losses.

Curbing inflation is the task of any government. But the anti-inflation measures adopted by the "reformers" resulted in a paralyzed economy, strikes, enterprises shut down, a disastrous drop in production, and... higher inflation.

All this was undertaken, it would seem, for the sake of the supreme interests of the country overall, although the effect was a negative one, not to mention the enormous amount of material means spent irrationally.

In formulating the **National Doctrine**, after defining priorities it is wise to **formulate a program of reforms in**

**the interests of all society** rather than in the interests of particular groups. Obviously, such a program will be **nationwide** in character. It must be comprehensible, realistic, and pragmatic and free of any ideological extremes. Citizens have the right, or are even obliged to know what the next "shining" future being offered to them is like, how reforms will be conducted, and how much time they will take. Citizens have the full right not only to ask about this, but also to disagree completely with the program proposed and ultimately, to demand a report on the Government's activity.

The great Russian philosopher V.I. Solovyev stresses: "Both human individuals and entire nations face the task of counterbalancing each other without losing their original uniqueness, but on the contrary, manifesting it most fully. Genuine unity of peoples is not uniformity but universality, that is to say, the cooperation and solidarity of all people for the self-sufficient and full life of everyone."

These are truly sacred words calling for unity. All the things that have happened in the last few years sometimes remind one of a hasty retreat by troops leaving behind 25 million "prisoners," Russian and Russian-speaking compatriots who suddenly find themselves in a foreign land now called the near abroad, cast to the winds of fate. But even those who are now living in Russia are experiencing if not moral-political at least socioeconomic oppression. They include **tens of millions** of formally and de facto unemployed people; and they include **tens of millions** of pensioners, students, and disabled persons.

Now underway is the **collapse of the Russian ethnos**, or rather **its violent breakup**, and the formation in the former Union and autonomous republics of Russian national minorities which in certain cases reach or approach 50 percent of the population, which in itself is fraught with disastrous conflicts. Attempts to concentrate in Russian communities millions of people who find themselves refugees in their own country or hostages of ambitious politicians are having virtually the same result. Abandoned homes and hearths, migration of work force fatal to the national economies, and the misfortunes and death of people. Years of work by tens of millions of people are being nullified by the redistribution of ethnic areas.

Russian people regardless of where they live, if they preserve their national self-consciousness, are a **powerful driving force for the rebirth of Russia**. The state strategy of the Russian great power must rely on the historical and spiritual legacy of its people. Because Russia will never be reborn if the disposition and national self-consciousness inherent in our people are not reconstructed.

The path to national accord must be sought on the platform of respect for the individual and the right of each citizen, regardless of party, religious, or national

affiliation, to tolerance and harsh treatment of all attempts to destabilize the situation in the country and once again to try to break up the State. It is remarkable that in recent months **positive trends focused on achieving national accord and strengthening the Russian State are beginning to show** in the policies of the president, the Government, the Federal Assembly, and most political forces. But potent destructive forces which are in the structures of power and in the opposition oppose these weak shoots. Thus, today the watershed lies not so much between the president and the Government, on the one hand, and the opposition, on the other, as **within these camps: between the forces of creation and the forces of destruction**.

Today a Government able to find a way out of the crisis is needed. Only a program which is oriented to the needs of most of the population in the spiritual and material spheres will enjoy the support of the people. And only then can consolidation of all progressive forces interested in Russia's rebirth be achieved.

How do we propose to begin?

**FIRST**, immediately abandon **the extremes of the political struggle** and strengthen legality, law and order, and elementary performance discipline, without which any power is doomed to impotence, that is to say, **strengthen the State**. Any weakening of one of its branches signifies a weakening of **power and the state** as a whole. The mutual reinforcement of the representative, executive, and judicial branches of power would be wiser.

**SECONDLY**, undertake a series of measures to improve **the living conditions of citizens** of the Russian Federation, above all the least protected ones, pensioners, children, the sick, and disabled persons.

**THIRDLY**, defend unity and economic and political independence.

**FOURTHLY**, restore Russia's spiritual potential.

The most important condition for achieving these objectives is the rebirth of the nation's dignity and spiritual potential, which in the most tumultuous years of hardship saved Russia, encouraged consolidation, and helped overcome the most serious crisis. That is the **most important prerequisite** of political, economic, and social Progress. Without a **National Idea**, in Russia's conditions it is **impossible** to achieve a significant result either in politics, in economics, or in implementation of the reforms. The shaping of the National Doctrine has **already begun** and should continue at an extremely fast rate. Only then is a realistic success in the particular area of the reforms possible.

The first attempt at a comprehensive view of the **National Doctrine of Russia** is attached for your attention. Naturally, the authors in no way claim their views are absolutely correct. Moreover, there is by no means full unanimity among them. We invite opponents to a well-supported debate in the interests of the Nation.

**With respect to readers and opponents,**

Head of the authors' collective and president of the international nongovernmental scientific research organization "RAU-Korporatsiya," Doctor of Historical Sciences and RAEN [Russian Academy of Economic Sciences] Academician A. I. PODBEREZKIN.

**Ilyukhin on Draft Corruption Law**

944F0595D Moscow *OBSHCAYA GAZETA* in Russian  
No 14, 8-14 Apr 94 p 2

[Article by Seyfali Akhundov under the rubric "Document": "The Entire Community Against Corruption"]

[Text] Fighting corruption shall be the duty of all state and municipal organs, organizations, and institutions, of all individuals empowered to perform state functions....

(From the draft of the Law on Fighting Corruption)

The draft Law on Corruption was one of the last documents which the Supreme Soviet considered and approved in its time. However, President Yeltsin did not sign it, referring it for revision. According to Viktor Ilyukhin, chairman of the Committee on Security of the lower chamber of the Russian parliament, the committee has resuscitated the draft and made a number of substantial revisions in it. Possible amendments to the Criminal Code of the Russian Federation, which does not define precisely what should be considered corruption in Russia, are being considered in parallel with the law. In Ilyukhin's opinion, this evil has afflicted the state structures of Russia from top to bottom.

The draft, hearings on which have already been held at a joint meeting of two commissions of the State Duma—for security, and for legislation and judicial reform—envisioned punishments of several kinds for unconscientious officials. Being disciplined administratively is the lightest punishment that a bribe-taker holding a state position can get away with. This is followed by dismissal from his position with a subsequent ban on working for state institutions for a certain period of time. Criminal liability is envisioned for crimes in office which have considerably damaged the interest of the state.

The chairman of the Committee on Security has no illusions about the new law working to the fullest extent immediately after its adoption by the parliament and confirmation by the president of the Russian Federation. Like many others, the document is threatened with falling victim to the atmosphere of "legal nihilism" that reigns in the country.

Some deputies from the Russia's Choice faction oppose the adoption of the Law on Fighting Corruption as such. In their opinion, the law torpedoed the economic reform that is underway in Russia.

Viktor Ilyukhin believes that the attitude of the president of the Russian Federation toward the new draft law is being formed under the influence of two legal schools,

"theoreticians"—who are represented by the Institute of State and Law of the Russian Federation, and "practitioners"—the Institute of the Russian Federation Procuracy, the Academy of the Ministry of Internal Affairs, and others. Whether Yeltsin will sign the document after it is approved and passed in the Federation Council largely depends on who succeeds in substantiating their position better—the "theoreticians" or the "practitioners." In the opinion of the chairman of the Committee on Security, there are quite a few people on the staff of the president of Russia and in the government who are resisting the appearance of the new law. An alternative draft of the law is being developed in the recesses of the president's staff. However, Ilyukhin believes that the Duma is outpacing the team of the president. The presidential law is still at the development stage, whereas that of the Duma is almost ready.

**Official on Secret Communications**

944F0595C Moscow *OBSHCAYA GAZETA* in Russian  
No 14, 8-14 Apr 94 p 8

[Article by Rodion Morozov under the rubric "Company Secret": "FAPSI Avoids Chance Liaisons"]

[Text] In our times perhaps only children have not heard about such things as "government communications," "the Kremlin circuit" [kremlevka], and "the dialing circuit" [vertushka]. However, even those who use the services of special communications usually do not surmise how they operate and in what way the confidentiality of conversations between its subscribers is ensured. Secret communications are what the name says. Nonetheless, certain things may be learned about them anyway. An *OBSHCAYA GAZETA* correspondent was assisted in this by a colonel of the FAPSI [Federal Agency for Government Communications and Information], who naturally wished to remain anonymous.

[Colonel] In conventional terms, the entire telephone network may be divided into a few categories: the first, the second, and the third. The regular urban network is the third category; operational networks used for in-house communication between employees of special, classified establishments, for example, the General Staff, are the second category. In this instance, a certain degree of protection for communications is employed. Communications of the first category are so-called "government" communications—ATS [Automatic Telephone Exchange]-1, ATS-2. Similarly, ATS-1 has a narrower circle of subscribers than ATS-2. Previously a man who held the position of deputy minister at a minimum, and not just any deputy minister, was supposed to have ATS-1. Besides, other types of special communications exist: HF communications (high-frequency)—for long-distance conversations, satellite communications....

Naturally, various degrees of protection are established depending on the status of the subscriber position. For example, there is a type of communication—previously it was called Metal—which envisions restricted access to telephones. That is to say, the telephone is "enclosed" in

a box and sealed; the seal needs to be broken first in order to make a call using it. The telephones are opened only in extreme situations; the president, the minister of defense, and some other individuals are supposed to have them "by virtue of rank." I remember the horrible panic that we had and how everybody hustled when this communications line was damaged.

[Morozov] Do faults occur on government communications lines, too?

[Colonel] Of course. On occasion some excavator would begin to dig where it should not, and sever the cable. Do not worry, repair complications do not influence subscribers in any way: They do not have to wait until we patch up faults. Some other network is used in all such situations.

[Morozov] Could you tell us about ways to protect special communications?

[Colonel] There are quite a few ways. For example, highly pressurized air is pumped into a cable. When a "malefactor" tries to tap the cable, we learn about this virtually right away. Electromagnetic manometers are installed at all of our switching centers; as soon as air pressure within the cable drops, an alarm is activated. A command is given right away, and an operations group moves out toward the leak.

Besides, such a thing as encoding devices exists. If information is classified, secret, it is encoded first: The telephone is connected to the scrambler, and all the words turn into absolutely unintelligible, untranslatable "garble." After passing through the descrambler at the receiving end, the "garble" turns into words once again. This is why if someone tries to tap the line it will make no sense at all: Years will be needed to decode even a few sentences.

A precaution such as noise masking [zashumlenie] is also used. A cable has, say, 20 cable conductors; five carry information, and noise from a special generator is piped into 15 cable conductors. As a rule, noise masking is used for sections of cable between the telephone and the coding machine. Why is this necessary? I will give a very simple example. Imagine that you sitting in your office and typing. Each typewriter key (the typing plate with a letter) is located at a certain distance from the sheet on which you type. Consequently, different time intervals for keystrokes are characteristic of different letters. This is why if a sensitive microphone is installed in your office, a wiretapping service will subsequently easily reproduce, word for word, what you typed by using a special program. (This is why typewriters on which secret information is typed are screened in a special way in certain offices.) The same is the case with cable. With the use of special equipment the signal may easily be read, even from a distance of a few dozen meters, off an unprotected section of the cable which carries uncoded information. Subsequently, this signal may be transformed into information. With noise masking, the likelihood of this is reduced to virtually zero.

[Morozov] Have the general economic difficulties affected your service?

[Colonel] Very unfavorably. Previously we were served on a priority basis: How else, these were the needs of government communications! At present, they fill on a priority basis the orders of those who pay the most. The things we have at our disposal are gradually growing obsolete, but there is nothing with which to buy new equipment. For a while people were held back by the hope that "everything will change for the better soon." Later, that was it, the hope was gone, and people fled in every which direction, one after the other. Officers who had served for 15 years quit. They abandoned everything and went—without retirement benefits, without anything. At present, many people understand that the things that are happening may be called the beginning of the end.

[Morozov] The end of communication?

[Colonel] Perhaps so. I recall now how we rejoiced at first when we were removed from the Committee for State Security to be a separate structure—the Federal Agency, and then under the president. Some hazy prospects began to emerge. There was talk about merchants—those who are capable of paying big money—also becoming our clients and this, correspondingly, affecting our salaries. No sooner had we started dreaming then they hit us with a tonne of bricks: Really, guys! These are government communications, and you are turning them into a commercial venture!

Now we have a feeling that we have been left high and dry: There is neither the money nor the prestige. After all, previously there was the system, and whatever they might say, this system needed us, and it took care of us. We were respected, which is important. We would come to a ministry and say: "I am such and such, from the USSR KGB." They would accompany you, show you around, and look you in the eye.... What about now? Our prestige has ultimately dropped, and not only ours but that of all former services of the committee. So, many people would like to go back now. However, where is the system now?

### Primakov Activities Attacked

944F0587B Vladimir ZAVTRA in Russian  
No 12, Mar 94 p 1

[Article by K. G. B.: "Primakov's Stripes"]

[Text] Academician Ye.M. Primakov is the director of the Foreign Intelligence Service [FIS] of the Russian Federation. Yevgeniy Maksimovich is the only one of the notorious Gorbachev's closest and prominent confederates who also stayed on Yeltsin's team. As is known, this happened because Primakov, a very farsighted politician, got his correct bearings in time and from the beginning of 1991 began to secretly supply the needed information to the former RSFSR president's inner circle. The academician's talent for secrecy served him

well later, when he bargained for himself the job of FIS head (he was also aiming at that of minister of foreign affairs).

...The academician-director's prominent trait is lordly generosity and love for his "loyal crowd." For instance, Primakov's permanent aide (of many years now) Robert Vartanovich Markaryan, who has never been in any way related to intelligence, was recently promoted to the rank of general! General Markaryan (who lovingly and tenderly carried Primakov's suitcases during his numerous voyages) is planning to become head of the FIS information-analytical department. My, what a gift for the CIA!

Some time in the past Primakov gave his buddy Kantorov the job of legal department chief, which has only a few employees. And behold!—Kantorov also becomes an intelligence general.

A man Primakov needs very much is Yuriy Antonovich Zubakov (a friendly nickname within the FIS—Dubakov). Deputy director for personnel, Zubakov has already become a rear admiral. Having donned a glittering admiral's uniform, Yuriy Antonovich likes to admire himself in the mirror when he is alone.

By the way, the personnel director-admiral Zubakov-Dubakov intends to become head of one of Russia's stations in a far abroad foreign country. One imperialistic tabloid has already published a write-up of this dream.

Academician-director Primakov is not only a "hospitable" host, but also a "wise" arbiter in the squabbles among his entourage. For instance, Mr. Mertsalov, chief of the FIS transportation and utilization department, and his "war" deputy Mr. Panov recently came to blows. To such an extent that the shock waves generated by this "clash of the titans" reverberated throughout the entire service. Professional intelligence officers, who still remember the special responsibilities of their profession, came to the conclusion that both Mertsalov and Panov were on their way to being dismissed in disgrace from the FIS. Naive people, they forgot about the academician's love for his retinue. Mr. Panov ceremonially departed for a foreign assignment, while Mr. Mertsalov still grandly occupies his old position of responsibility.

...Do you want to become a general under Primakov? Become a "useful" person for the academician-director.

### **U.S. Military Cooperation Scored**

944F0587C *Vladimir ZAVTRA in Russian*  
No 12, Mar 94 pp 1, 4

[Article by Major General Viktor Filatov: "A Leap on Beijing—It Appears That This Is What the Creators of the 'New World Order' Have in Mind. And Not Without Russia's Help"]

[Text] The Americans are planning field training exercises at the Totskiy training site in Orenburg Oblast. At

the approach of such events, requests are submitted for ammunition, fuel, foodstuffs, the number of films to be shown to field training exercise participants during hours of "rest," the number of copies of KRASNAYA ZVEZDA to read during the halt... There is also a request for caskets: There are always corpses at field training exercises—after all, people fire submachine guns, throw grenades, fire guns, move around in tanks and armored personnel carriers, launch rockets... Besides, Orenburg Oblast is in Asia, the very heart of the Eurasian continent. The "stars-and-stripes" have never set foot here. On the moon perhaps, but here—definitely never. It looks like a fool's dream is coming true: Their stars-and-stripes will be flying over Eurasia without firing a single shot...

Our side will definitely submit a request for caskets; I am curious—will the Americans? And if they do, for how many? Ours will ask for approximately 15 to 20—this is our norm at all field training exercises without exception. Commanders later inform mothers tersely: "Died while carrying out his duty..." A platoon commander and two soldiers—or more often someone going on leave to the parts where the deceased family lives—bring the parents the body of their son in a zinc "jacket." After that—who cares? I am curious how the Americans do it.

Why did I start with caskets? The point is that "by the number of sides undergoing training, field training exercises are divided into without and with an opposing force [OPFOR]. At field training exercises with an OPFOR, the troops (forces) of each side operate according to their army's tactics. At field training exercises without OPFOR, the actions of the opposing side are indicated by specially allocated units, sets of targets, and other means of imitation in keeping with the tactics of a foreign army..."

The field training exercises being planned at Totskiy training site cannot be with an OPFOR since each of the participating divisions represents in every sense of the word a completely different "ideology." Does this mean they will be field training exercises without an OPFOR? It does not figure otherwise. Who will imitate the enemy? I have seen numerous field training exercises, and almost always "ours" and "theirs" in the heat of the battle clash in all seriousness almost in hand-to-hand combat: Russian against Russian, but from a neighboring division. And this is, as they say, not the most deadly thing that happens at training exercises.

Generally speaking, these questions should be addressed to the field training exercises commander. Field training exercises have been announced, but there is no commanding officer—or at least no one has heard of one. Two divisions will participate in the field training exercises—one of ours and one American. According to regulations, the field training exercises commander must be someone one step above a unit commander—in this case, a division commander. According to regulations, this is an army commander or higher. There is only one field training exercises commander. Will the Americans

entrust this job to our general? This is absurd. For the Americans today our general is a defeated general. They will not place themselves under his command.

There is a solution—to invite a German. If not as an field training exercises commander, then as an intermediary—as is known, there are no field training exercises without an intermediary. The winners are determined by the intermediary's reports. Better still, the British: It looks as if they have some problems in the making with the Chinese regarding Xiangang and Hong Kong... Most likely, however, a solution will be found through a "co—" prefix: co-chief, co-commander, co-drinker.

Still, I think that despite everything these will be field training exercises with an OPFOR—that is, when "troops (forces) of each side operate by the tactics of their army." The point is that the Russian army—at least since Yeltsin's time—is a full-fledged member of NATO, and NATO is a common grave of all national armies and national military doctrines. It does not matter that no papers have been signed publicly. Those that need to be signed have been signed, as they say, behind closed doors. And there was only one meaning to all the exercises NATO ever held—to demonstrate "military might," "unity and monolithic character," "readiness to act against the enemy..." But more often NATO exercises are used as a "means of political pressure on the opponent, inciting military hysteria."

Who is NATO's enemy today, when Russia is practically a NATO member? In this respect it is amusing to watch these Estonias and Moldovas, who are rushing to get into NATO's trenches against the Russians in the hope that this "anti-Russian" front line will be well rewarded. All these Tallinns and Chisinaus think that they are NATO's road to Moscow. But this is a mistake: Today they are only milestones by the road, but not to Moscow. NATO is already in Moscow—without their help. NATO took Moscow in as a battering ram against Beijing. The Balts, the Moldovans, or anybody else will not get any profit from this. Too late.

It is said that the upcoming field training exercises are aimed against Kazakhstan... You mean against Nazarbayev, who is completely buddy-buddy with Washington and Billy? Without any military pressure, Nazarbayev does whatever he is told by Washington or Brussels. Kazakhstan is as much an occupied country as Russia.

Clinton, Yeltsin, Nazarbayev... They are people of the same "campfire," hired for the job by the same personnel director—the "world government." For each of them, just in case, there is an almost standard compromising dossier: Clinton got slapped with real estate machinations; Nazarbayev—with rigging elections; as to Yeltsin, he got himself in a mess over so many things on his own that should the "world government" decide to remove him tomorrow, there will be no Yeltsin the president. This is what it means to be on hook with the "world government"—on the brink of impeachment.

For the "world government," Tallinn, Chisinau, Kiev, Alma-Ata [Almaty]—all of them are a road to nowhere. While Moscow for the "world government" is a road to Beijing. What do Estonia et al have to do with it? It was back under Gorbachev that in accordance with allegedly mutual agreement with the USSR, within the framework of the completely mythical for us European security, all our troops began to be pulled beyond the Urals. Under Yeltsin the only troops left in the European part of Russia are essentially two punitive divisions near Moscow. The entire army is in the east. Facing what enemy?

Today only great China is free; it is the only country where a new occupation regime under the name of the "new world order" has not been established. True, in Russia there has been a show-inspection of some mythical troops in Kaliningrad (when the entire army is in the east), pretending that a new impregnable Koenigsberg is being created in the west. Against whom? Against Lithuania, which in the best times, pardon me, of its independence under the Germans had an army of 80,000, counting the rear services? Against Poland? This is absurd—it will have quite a task now to hold the German lands in the west without the USSR's aid. It is facing score-settling with "that" side, not "this" one. Stalin knew what he was doing when he palmed off to the Poles the traditionally German lands. They will be lucky if they avoid a fourth partition today...

All this being done for diversion, in order not to alarm Beijing before the time comes. The "world government" is taking it into hard tongs: in the East—the American-South Korean group, and in the West—the American-Russian one. China is condemned by the "world government" to at least quartering: into Xinjiang, Tibet, Inner Mongolia, and the South—the Yunan territory... But the No. 1 point is Xinjiang—the Xinjiang Autonomous District. Nazarbayev knows some details of this big game; that is why he is now hustling to move the capital from Alma-Ata further away from the potential military operations theater: under any outcome, Alma-Ata will have it. It was founded by Russians as the Vernyy military post. There is a possibility that Alma-Ata once again will be reduced to its original status...

Sowing discord between the Russians and the Chinese is an old and painstaking job for the "world government." They succeeded once—and we had Damanskiy and Zhalanoshkol. By the way, Zhalanoshkol is awfully close to Alma-Ata, almost next door. Nazarbayev probably also remembers the bodies of Soviet border troops who defended Soviet Zhalanoshkol. Both we and the Chinese had dead bodies at Damanskiy and in Zhalanoshkol. And also...

Hungarian analysts, for instance, believe that in 1973 we amassed a million-strong army against China. An action against China, a confrontation with it, eventually cost us \$200-250 billion. We spent \$60 billion on the war in Afghanistan, and as much on the war between China and Vietnam: both these conflicts were a "continuation of

the Russo-Chinese discord." An expense of a minimum of \$320 billion—this is greater than the combined material damage to European countries inflicted by World War II (\$260 billion, of which \$128 billion was sustained by the USSR). And how much did China spent on preparations for war against the USSR? And how much did Comecon countries spend—after all, the action was held on two fronts?...

Direct military expenditures represent only a small part of expenses of a different nature in the Russo-Chinese conflict. We should not forget that China used to tie down a considerable part of the American military potential. This is true today as well.

There has existed since the Vietnam war time the so-called "Nixon doctrine"—"Asians should kill Asians." It is a very well-developed doctrine, tested in many Asian wars. Nobody has repealed it to this day—on the contrary, it had been constantly perfected.

As soon as the joint exercises were announced, PRAVDA ran an article under the eloquent heading "We Do Not Mention Damanskiy, But..." And this sub-heading: "Russia-China: Are There Border Problems?" It is amazing how synchronously the boys are working for the "world government," even though perhaps quite unwittingly! The article hypes up hysteria against the Chinese: They harass Russians, it says, everywhere—at farmers markets, in the taiga, in hotels... But what does China have to do with it if Russia is such a mess? I would write it off as stupidity had the article been signed by some "reader" or correspondent. But the signature under it is that of a doctor of historical science.

I agree that one article, even written by a PhD, does not a spring make, but now the entire occupation press is turning out in a broad-front attack against China. In the near future we should expect a massive artillery attack on the part of all occupation mass media against China. They already dusted off Damanskiy... Somebody is already making China into the No. 1 Enemy of Russia. Why? Who needs it?

By the way, it was China that saved us after 1946 from an atomic bomb striking simultaneously 100 cities in the USSR, the union and friendship with China. The Chinese said: Our atomic bomb is our 1 billion population. It was only later that we developed our own atomic bomb. The discord that was sown between USSR and China turned out to be a catastrophe not only for the USSR but for all countries of East Europe, the entire so-called socialist camp. The enmity that is now being planted in relations between China and Russia will cost Russians their complete annihilation.

There is rumor that Beria was an old English spy. Allegedly since the time they were masters of the Transcaucasus—in 1918-1921. Maybe he did indeed serve British intelligence—I have not had the opportunity to look in the safes of British special services. But... "I know

them from their deeds:" Beria very seriously "developed" Xinjiang—this is a fact. To have Xinjiang is absolutely not a Russian national dream and goal.

Some time in the past in Alma-Ata I met some people. They were mostly Uygurs. There are a lot of them living in and around Alma-Ata. There are many more of them living on the other side of the border, in Xinjiang-Uygur Autonomous Okrug. After 1945 Beria planted in Xinjiang under the guise of various specialists a tremendous number of Uygurs from Kazakhstan, from the entire territory of the USSR. They gradually took all the key positions in the autonomous okrug. Events were moving in the direction of the creation of an independent state of Uygurstan and its secession from China. Is this a Russian dream?

Events took a different turn, though. Stalin died. We executed Beria. Failures began in Xinjiang—in short, the Chinese massacred all of ours there. Very few escaped with their life by jumping the border. In Alma-Ata, in the USSR in general, nobody needed the surviving Uygurs. They lived almost illegally, without residence permits—with relatives and friends. The new rulers pretended that they did not know such people—Uygurs. This probably was true. The dreadful authority, although Beria was no longer there, set up its own people—who did not even suspect where they were being led—for a massacre and annihilation, and those who escaped could not even get a residence permit in their home town. They did not have the term "new world order" then, but that does not change the substance of the matter.

As to the Chinese, in connection with these so-called joint exercises the Americans and Pasha Grachev are about to run, they should start viewing attentively in today's Xinjiang—as well as in Beijing—their own, Chinese, Gorbachevs, Yeltsins, Kravchuk, and Shushkeviches. Judging by the game, everything is moving in the direction of a Chinese Novo-Ogarevo, a Xinjiang Belovezha Preserve. And look less at the United States. Plus move more troops into Xinjiang, as they did in the memorable incidence of the failure of the attempt to create a Soviet Uygurstan.

**NTV Head Says Company Is 'Independent'**  
944Q0314A Moscow NOVOYE VREMENYA in Russian  
No 14, Apr 94 (signed to press 5 Apr 94) pp 50-51

[Remarks by Oleg Dobrodeyev, editor in chief of information service of NTV television company, recorded by Anna Politkovskaya, under the rubric 'Television': "Is NTV Independent?"]

[Text] Oleg Dobrodeyev, 35-year-old editor in chief of the information service of the NTV television company, assures us: "We depend only on common sense..."

The NTV television company, which originated in the bosom of ITA Ostankino, began its permanent daily broadcasting on Channels 3 and 4 in 1993. Various things were said about the "youngster": that all the

journalists who had transferred there had sold out lock, stock, and barrel to the financial group Most-Bank and that it is through their mouths that the high commercial financial circles of Russia broadcast from the screen. But discussions are discussions, and it is difficult to imagine a weekday evening without the information program "Segodnya" (anchors—Tatyana Mitkova and Mikhail Osokin) or the end of Sunday without "Itogi" (Yevgeniy Kiselev).

Oleg Borisovich Dobrodeyev is a Muscovite, a specialist in modern and recent French history (MGU [Moscow State University] history faculty and graduate school), and an ace of domestic television. At one time he was the chief of all currently existing main information television services of Russia without exception. And he left it all: He was never satisfied by the concept of information broadcasting—neither on "Vesti" nor especially on ITA. Last year he finally got a chance to do things exactly as he thinks they should be done.

#### We Are Dependent. But Only on Common Sense

Independence is a fairly arbitrary thing, and those who say that TV can be completely independent today are being less than candid. Of course, we are independent of the power structures in selecting and preparing programs and we determine our own information priorities, but here we are guided by OUR OWN vision of what is happening. Watch, let us say, the news on BBC or ITN, their interpretation of the events in Southern Ireland, and you will immediately be able to see that not everything is so simple. Even the companies that frequently give only simplified outlines as information, and that is how CNN operates—an excellent service, which is remarkable in crisis situations—even they have their own particular predilections and unconditional priorities, their own sympathies and antipathies.

Our company's main priorities are the same as those of other worldwide companies—NEWS. In the first place, we do not influence political events but simply register them. In the second place, we are not on the side of one or another political party or grouping and we try to give the information picture of the day in all its diversity. Information, in our view, implies a certain reasonable framework as well: We do not chase after sensational news, we try to give only verified information, we cannot allow ourselves to be too categorical in our assessments, and we do not allow those who speak on our programs to be too categorical either—whatever they may say, there is editorial control, and that is normal. Of course we do not give only pure news announcements but at the same time we have no shows with TV hosts. In the future we will try to get away from commentary. But the attitude of the host or journalist toward the event could be manifested also in the selection of information; nobody is insured against that—it is impossible to run everything through a computer so that it will have an ideal design in its final form. Nonetheless, the makeup of the program, its information portraits, each topic—these are never random on "Segodnya" or "Itogi," they do not appear in

one place or another just because that is what somebody wants. And in this respect we depend only on common sense.

There are socially significant events which undoubtedly influence the subsequent course of the political or economic process. Therefore, as a rule, the political news goes first, but it can also be something else that happened today but did not yesterday and will not tomorrow. For example, the loss of a person who was involved in many people's lives. For example, on the day of the death of Yevgeniy Leonov we decided to begin the program with this particular piece of news. We try to approach information from a position of universal value—human life. We always place the problems that are bothering our compatriots today in the first segment—and this is our fundamental position. Even if only to break down the stereotype of abstract state news: Here are state interests and here is the human being, who is very separate from them. The tradition of Ostankino news was precisely not to air anything that pertained concretely to a given person, whether it be Chernobyl or the tragedy in Baku.

#### NTV Does Not Sing the Praises of Financiers

I know many bankers, but this is in no way reflected in our work. People see us every day and we cannot allow ourselves such a luxury as to declare our predilections from the screen. Moreover this is unproductive: As soon as we join with one financial group or political party or another, regardless of whether they are our investors or not, our ratings will immediately start to fall. This is why we have no commercial pieces, as other leading information services now do, in which the anchor gives the lead in: "Today is the anniversary of such and such a commercial structure," and later in the middle of the information program, among other pieces, there appears a newsy but purely complimentary piece created in keeping with all the rules of commercial advertising and production. The commercial financial information is woven into the fabric of the program and it undermines confidence in everything else. Such pieces should be used only during advertising time.

The problem of today's TV and of all journalism for that matter is that aesthetic boundaries are erased and ideas about what is permissible and what is not evaporate. And after the commercial financial information, which is shown daily (we are quite well aware of where and how it is placed), it is impossible to avoid the next stage, which we have encountered anyway, especially during the last election campaign. It is POLITICS FOR HIRE. NTV, incidentally, is the only company that has never given its air time to any political party for money. Naturally, they have asked us. But this was the fundamental position of both the leaders and all the workers. The strangest thing we have in journalism today is when representatives of one party or another come to an interview with an envelope in their hand.

### NTV's Prospects

It will be simply reasonable, consisting of three components which are mainly interesting to the audience: information, entertainment, and sports. I would like for us to synthesize the BBC's balance, CNN's efficiency, and ABC's accounting for viewer interest. At the same time we understand quite well that we are living in Russia and working for a Russian audience, and we must make certain adjustments, taking into account the specific way in which we are viewed. One thing I can promise for sure—NTV will not do any political programs since they bring the lowest ratings and nobody needs them.

"Itogi" is primarily analysis. And that is why those who receive it, those who do not receive it, and those who are indifferent to it are checking their political watches against it. The most difficult thing today is simply to register the event and give all existing viewpoints. Not to influence what is going on, not to have an impact on what the journalist encounters and, of course, not to harm it to any degree. Everything is filled with contradictions nowadays, and to represent it adequately to the audience without being on one side or the other is very difficult. But we think that there are some things that are inadmissible in journalism. We must not, for example, air an interview if it provokes a situation of conflict.

### Our Ratings Are Rising

We especially order a determination of our ratings from sociological services. And so far we are satisfied—we have a fairly large number of viewers, the number is always with two figures, in the millions, naturally. Our audience is more knowledgeable than the audience of Ostankino's "Novosti" and "Vesti." We are watched by people who do not need a readymade assessment of events, who can put the facts together for themselves. Although, of course, we do not set a special goal of having news for the elite. Throughout the world companies invest colossal amounts of money in analysis of television audiences, since the rating means the value of advertising on which commercial TV exists. The value of each program is determined by its rating, which is typically determined the day after a program is aired.

So far we do not intend to increase our broadcast time: We need to assimilate what we have now, which, in my view, is at fairly good times—1900 and 2200. The audience, as a rule, is not always the same and therefore no more than 20 percent of the newscast is repeated. Thus we end up with a very large amount of information broadcasting—a whole hour. Moreover, in a month or two our correspondent network will be in operation, and then it will be possible to speak further about the development of the NTV news service. For now we rely on help from stringers (nonstaff investigative reporters). The correspondent network will be fairly compact: two regional foreign correspondent bureaus—in the United States and Germany, and about 10-12 (in the first stage) in Russia and nearby foreign countries—in Vladivostok, Yekaterinburg, Rostov-on-Don, St. Petersburg, Syktyvkar, Saratov, Riga, and Tbilisi.

## REGIONAL AFFAIRS

### Northwest Regions Appeal to Yeltsin on Self-Government

944F0609.1 Moscow ROSSIYA in Russian No 14,  
13 Apr 94 p 2

[Text of "Appeal to the President of Russia, B. N. Yeltsin, on Questions of Local Self-Government"]

[Text] Esteemed Boris Nikolayevich!

In the last 3-4 months, the heads of administrations of such major Russian cities as Omsk, Saratov, Vladivostok, and Nizhniy Novgorod have been released from the posts they occupied.

The circumstances of the dismissal were varied, but everywhere they took place under pressure of the governors of the oblasts. The standard set of accusations was made against almost every one: attacks on the oblast administration, the collapse of Russian statehood, ties with opponents of the reforms, corruption, repeated flagrant violations of work duties, and so forth. The same situation is now taking shape in a number of other cities.

We are very worried that honest, decent people who are truly supporting the interests of their cities and vigorously defending the rights of local self-government established by the Constitution of Russia and guaranteed by your edicts are leaving the job. Objective examination of the work of the heads of administrations of the cities did not precede the dismissals and they did not receive written explanations, and the grounds for removal were not considered by any commissions, while some were refused the right to meet personally with the president of Russia, which your edicts stipulate directly.

Today most of the governors are doing everything possible to subjugate local self-government to themselves, which directly contradicts Article 12 and Chapter 8 of the Constitution of Russia. Those who oppose this are as a result either dismissed or they resign themselves. One gets the impression that local self-government is a fiction and the federal authorities do not need it, although we are certain that local self-government is objectively an ally of the president of Russia and the central authorities in the political and economic reform of our country and in the defense of public interests.

We propose the following to you:

1. Put local self-government under your protection and supervision.
2. Meet with representatives of unions and associations of the cities of Russia.
3. Speed up the development of normative enactments to demarcate the jurisdictions of the organs of state power of the subjects of the Federation and local self-government.

4. When heads of administrations are released from their posts, set elections of the heads of local self-government on an alternative basis.
5. At the petition of heads of administrations who have been released from their posts, conduct reviews and publish their results.

**Accepted at the meeting of the Union of Cities of the Northwest of Russia on 9 April 1994, city of Kirov.**

**Tatarstan Premier on Economic Reform**

*944F0608A Kazan RESPUBLIKA TATARSTAN  
in Russian 21 Apr 94 p 1*

[“Paraphrased” report on speech by Prime Minister of the Republic of Tatarstan M.G. Sabirov at 19th Session of the Supreme Soviet of the Republic of Tatarstan on 19 April 1994: “Reform the Economy in the Interests of Society”]

[Text] Respected People's Deputies! That criticism heard during the session with respect to the government is quite understandable. It is associated most of all with the difficult situation that has developed in our republic's economy. The purpose of my speech is not to give an explanation for all the critical statements—I consider it my duty to report to you, deputies, about the economic condition of the republic, and to inform you of the government's near-term measures concerning a reduction in the rate of the production slump and our capabilities for its stabilization, in order, in the final analysis, not to permit a reduction in the standard of living of the citizens of Tatarstan.

Today, an interstate treaty has already been signed that was long-awaited by a majority of the population, and within its framework 12 intergovernmental agreements, and our opponents from various sides are criticizing both the documents themselves and the persons who participated in their preparation and signing. But at the same time, should they not think about Tatarstan's political situation and economic prospects if there were no treaty? How would many of our residents feel, continuing to experience a condition of vagueness in their position with respect to other citizens of the Russian Federation, with their next-door neighbors, with their fellow-workers? [line missing] this psychological burden of a majority of our people, which, naturally, will serve to further strengthen interethnic harmony in Tatarstan. I think that everyone understands the high value of this harmony and this friendship of the peoples of the republic.

What do the treaty and agreements offer on an economic plane? I will say frankly: Clarity has emerged among the government and economic managers and workers of financial-economic services in mutual relations not only with structures of the Russian Federation but also with state organs, firms, and enterprises of the near and far abroad. In this difficult period of entering the market, this already gives our commodity producers, bankers,

and average and small entrepreneurs freedom of action to arrange and reinforce relations with their colleagues in a unified economic space. Now the efforts of our entrepreneurs and managers—no matter what kind of property they own and manage—should be directed at maximizing the effectiveness of using new capabilities for their practical activity. Thus, this is essentially a new program establishing new tasks, on whose implementation the government and all entrepreneurs will have to work energetically.

The government, on its part, prepared a program of action for implementation of the treaty and the agreements. All collectives should obviously have such programs, so that after organizing their activity thoughtfully and with initiative, they will get the maximum possible use and benefit from them. Such purposeful work should be calculated for at least five years. Incidentally, such periods are specified in the treaty and the agreements.

Afterwards, the prime minister said: The government conducted all its work on the basis of the Concept of the Transition to the Market, which was adopted by the Supreme Soviet of the Republic of Tatarstan in 1991, and which is being adjusted annually. Besides implementing a number of other programs adopted by the Supreme Soviet, the government worked on implementing the constitution, laws of the Republic of Tatarstan, edicts of the president, and also its own resolutions and decrees.

In March 1994 work was completed on a draft of the Main Directions of the Economic and Social Development of the Republic in Consonance with the Constitution of Tatarstan. The draft [line missing] a number of comments were made. In the near future we propose to distribute a corrected text of the draft to all deputies, in order to consider and adopt this important document at the next session.

Considering that the information and concluding speeches of Deputy Prime Minister F.G. Khamidullin and Minister of Finance D.N. Nagumanov presented an analysis of the work for 1993 and forecasts of the development of the economy for 1994, and a report and analysis of the budget, I will dwell briefly only on certain features.

The individual, the resident of our republic, with all his concerns and affairs is always at the government's center of attention. “Not allowing a drop in the standard of living of the population” is the main principle by which we are guided in our daily work.

The facts say that the standard of living that determines the ratio of the average per capita income to the subsistence minimum had in the course of 1993 a clearly expressed growth tendency—from 2.2 in January to 2.9 in December (in Russia this indicator fluctuates from 1.45 to two, respectively). It was possible to achieve this most of all with a balanced price policy, repeated raises in the minimum scale of payments for work, increases in

allowances and compensation payments, and the development and introduction of specially directed social protection. We were able to maintain prices for minimum commodity subsistence at a lower level than in neighboring regions and in the Russian Federation as a whole. Two very important laws were adopted in the republic in 1993: "On the Subsistence Minimum" and "On the Minimum Wage Scale." In accordance with them, the minimum wage scale cannot be less than the value of the figure for the subsistence minimum. I will note that the subsistence minimum is a low limit, a limiter, and we should in no case permit a drop in the level of incomes below this figure. If something like this happens, the mechanism of specifically directed social protection is immediately turned on. Analysis shows that of the standard collection of 19 food product designations adopted in the Russian Federation, quantitatively more can be bought in Ulyanovsk, next in Kazan, and then Samara.

It should be said that starting in 1994 we have already begun to orient ourselves to a higher indicator—a minimum consumer budget. While today the subsistence minimum is equal to 40,500 rubles [R], the minimum consumer budget is R131,000.

The actual cost of food, commodities, and services that are part of the subsistence minimum amounts to R40,500 plus R31,500 for April 1994; that is, R72,000. (The subsidy allocated to each individual of the republic is contemplated at a level of R31,500 for April.) Analysis of the standard of living for the first quarter of 1994 shows that a fall in it is occurring nevertheless. In November 1993 it amounted to 2.65, in February 1994—2.22, in March—2.41, and 2.44 is expected in April; i.e., lower than in 1993. The reason is that it is possible to restrain prices only to a certain limit, after which the ruin of the consumer market could begin. But with an increase in prices, the cost of the subsistence minimum also increases. In order to maintain their required ratio it is necessary to ensure a faster growth of the incomes of our citizens.

As you know, wages are the main source of income of the working population. However, the Law of the Republic of Tatarstan of 8 February 1994 "On the Minimum Wage Scale" has not been put into effect at all enterprises and organizations—according to it, starting 1 February 1994 a minimum wage scale of R3,000 is established on the entire territory of the republic. According to 32 enterprises and educational institutions that have just been checked, where the established minimum has not been introduced, this minimum is not received by more than 4,000 persons. I repeat: only where verified! These are mainly educational institutions that are financed from the budget of the Russian Federation, medical apparatus and compressor plants, KOMZ, the joint-stock company Kvart, the computer system PO [production association], individual NII's [scientific research institutes] and KB's [design bureaus], and everyday services enterprises. In addition, as a rule, unskilled

workers—office cleaners, guards, and cloakroom attendants. But, after all, it is for this category that the minimum was introduced!

A very low wage is paid by the Kazan electromechanical plant—R23,427, the Tochmash plant—R46,357, Promstroy Progress—R45,506, Leninogorsk sewing factory—R38,085, and others.

At the same time, the level of wages is excessively high at Tatenergo—R479,061, the Kazan liquor-vodka plant—R362,775, the Kazan leased tobacco factory Aromat—R294,526, the Menzelinsk liquor-vodka plant—R314,444, the Urussu ZhBI [reinforced concrete articles]—R303,595. Moreover, a majority of them are permanent clients in begging for favorable credits and other types of subsidies. Under these conditions the State Labor Committee, jointly with the ministries, departments, and heads of administration, should immediately conduct a check on the "minimum" for all organizations and enterprises located on the territory of the republic, no matter what property category they come under. Workers of the Goskomimushchestvo [State Committee for the Management of State Property] of the republic should also participate. It is necessary to take quick and effective measures in each specific case. Where it is possible, to assist, and where the situation is hopeless, to proceed in the end to activate the bankruptcy system.

It is necessary to regulate the "spread" in the level of average wages through taxation. A work rating figure that is not taxable should be closely tied to the results of the work of an enterprise. Given a very high wage, if it is not connected with increased volumes of production and the ability of the produced product to compete, it is necessary to introduce a mechanism for progressive taxation on resources being directed at wages.

Afterwards, M.G. Sabirov began to set forth the 1994 program for further reformation of the economy. Its main point is the conduct of radical changes in tax, budget, credit, and price policy. The government established a working group headed by F.G. Khamidullin that in the near future is supposed to submit proposals for reforming tax policy. It is proposed to reduce the amount of taxes, to eliminate some of the taxes introduced in the localities that were not approved at all, and to bring order to tax benefits. Benefits should be given only to those enterprises and organizations that, after submitting justified calculations, can sharply increase the volume of production of competitive products, and not only to fill in deficiencies owing to the benefits taken, but that will also give additional revenues to the budget.

It is necessary to perfect the methodology for calculating budgets submitted by the local soviets, with a gradual increase in the importance of the local budgets. It is advisable in the republic consolidated budget to retain only that part that is used to cover general republic expenditures and the implementation of republic and federal programs.

Resolution of the price problem is seen in the adoption of a normative document in the form of an edict of the president of the Republic of Tatarstan concerning freedom of economic activity in which it is advisable to envision a further liberalization of prices in all spheres of activity.

The issue of payments, or more properly nonpayments, has become the most important one for everyone today. Managers of all ranks, including the president and Cabinet of Ministers workers, are losing a lot of time searching for resources to support production and the life support of the population.

The upper house of the Federal Assembly of the Russian Federation passed a decree "On the Solvency Crisis in the Economy of the Russian Federation." We see the resolution of this question in the immediate introduction of securities in the republic, first and foremost, the bill of exchange system within whose framework settlements should be conducted for the debts of enterprises in all types of economic management. A package of necessary documents has been developed and is going through the endorsement stage. The task of the government is to launch them starting 1 May 1994. The next measure—it is necessary immediately to develop a mechanism for and conduct a quarterly offset of mutual indebtedness at least in the economic space of our republic. Possibly the Russian Federation will also introduce this system later. It is also necessary to activate work to attract foreign financing for the purpose of financing the improvement and reorganization of enterprises, and to use the barter mutual relations of commodity producers, importing into the republic for "debts" first of all the needed group of food commodities, medicines, equipment, and materials.

In 1994 it is necessary for us to accelerate, intensify, and expand privatization. It is also necessary to include new facilities in privatization, to complete small privatization this year, and to increase the privatization share in state property. All this will make it possible to increase the rate of costs of enterprises being privatized and to accelerate structural restructuring.

Small and average enterprises are the most flexible form of commodity producers that react instantly to market demands. A system of measures should be worked out in a short time, including adoption of the necessary laws of the Republic of Tatarstan, edicts of the president, and decrees of the government. Then the growth of small entrepreneurship in number and quality will not only cover many spheres of the market with commodities of their production, will not only make it possible to increase the number of jobs, but will also provide significant revenue for the budget, mainly for local budgets. This is where it is necessary to have a system of tax benefits first and foremost.

We should further reorganize agricultural production, which was discussed in detail at two group conferences of agrarians. A special place is given in the draft on the

main directions of this branch. A program on the agricultural industry is now under development.

At the present time there is active interest on the part of deputies in reforming the executive organs of authority. This is understandable. The concept of reforming the Cabinet of Ministers was worked out at the end of 1993 by a group of specialists and researchers. The structure of the higher executive organs of about 40 states were studied. On the basis of this analysis and taking our peculiarities into account, in the first quarter of this year I proposed a new so-called mixed economic structure of the Cabinet of Ministers oriented on the market, including its staff, and the ministries and departments. We can also distribute this material to the deputies together with the draft Main Directions of Socioeconomic Development of the Republic of Tatarstan in Accordance with the New Constitution.

In concluding his speech, M.G. Sabirov emphasized that the president, the government, and a majority of the deputy corps are working as an integrated team. Herein lies our strength. As for the arguments and debates on urgent problems in the development of the republic, they can be explained by a desire to find a way to more optimal solutions. The government is ready to receive and examine all proposals of people's deputies and positive criticism, no matter where it originates, in the most careful way, and to draw practical conclusions.

### Tatarstan Finance Minister on Budget

944F0607A Kazan RESPUBLIKA TATARSTAN  
in Russian 20 Apr 94 p 2

[Rendition of report by D.N. Nagumanov, minister of finance of the Republic of Tatarstan: "On Implementation of the Republic Budget for 1993 and the Draft Republic Budget for 1994"]

[Text] Esteemed people's deputies!

A total of 854 billion rubles [R] in taxes and revenues was collected in the territory of the republic last year, of which R529 billion was credited to the republic budget.

The rayon and city budgets were implemented with a surplus of revenues over expenditures of R12.9 billion, and the republic budget—with a surplus of R9.8 billion.

The expenditures of the consolidated 1993 budget came to R833 billion, or 98.5 percent of the revenues raised.

Expenditures for the national economy account for the greatest proportion of the overall volume of expenditures in the republic—45.5 percent. The same percentage of expenditures in this section of the budget was planned in the projected consolidated budget.

Expenditures of the national economy from the republic budget were made in the amount of R180.4 billion, or 34.7 percent of all expenditures.

The expenditures of agriculture and other sectors of the agro-industrial complex, including subsidies, account for the largest proportion of the expenditures for the national economy out of the republic budget (65.7 percent). An additional R84.3 billion was allocated from the republic budget for the development of these sectors.

With a view to supporting goods producers, rates of grants per unit of animal husbandry output far exceeding those officially established by the Russian Government were used in the republic through all of last year. For example, by the end of the year this rate was exceeded by a factor of almost seven for milk, more than eight for cattle, and more than nine for hogs.

The total amount of budget expenditures for the payment of subsidies for animal husbandry output in 1993 came to R80.3 billion, which exceeds the projected statistic by a factor of almost three.

The establishment of higher rates of subsidization for the products of animal husbandry made it possible to contain the sharp growth of retail prices for the principal products of animal husbandry during the entire year. For other types of foodstuffs, the differences between wholesale transfer prices and retail prices were refunded with a view to making foodstuffs cheaper. About R25 billion was spent out of the budget for these purposes, which exceeds the projected level by a factor of almost four.

Some R42.1 billion was allocated to finance capital investment in agriculture; it was mostly used to defray expenditures for the construction of intrafarm roads, social, cultural, and consumer service facilities and housing, and for provision of gas in rural areas.

A total of R178 billion was allocated to develop the agro-industrial complex. The proportion of expenditures of the agro-industrial complex in the republic budget came to 25 percent.

Subsidies coming to R18 billion (of which R15 billion to the enterprises of the Tatavtovtrans) were allocated from the republic budget in 1993 to various transportation enterprises in order to cover losses in conjunction with the use of regulated rates of fares in urban and commuter transit.

Certain measures were taken in the reporting year to reinforce social protection for employees of the sociocultural sphere and low-income strata of the population. Expenditures from the consolidated budget for this purpose came to R306.3 billion, or 35.5 percent of all expenditures.

The largest sums within this section of budgetary expenditures were allocated for public education and health care.

The expenditures of the republic budget to maintain the organs of state power and government exceeded R6 billion last year, and increased by a factor of 4.4 compared to the projected level.

Compared to the projection, outlays on maintaining the law enforcement organs increased by a factor of almost five, and came to R17.8 billion.

An amount of R39.8 billion was allocated to fund centralized capital investment made at the facilities of local soviets.

An amount of R127 billion, or R96 billion more than called for by the projection, was provided out of the republic budget as financial support in the form of grants to rayons and cities given in the course of mutual settlements.

Some R67.7 billion in loans and credit from the republic budget was extended in order to replenish the working capital of enterprises and organizations with a view to promptly solving important problems of a social and economic nature, which exceeds the level of last year by a factor of two.

During the reporting year, R310 billion were allocated to the republic budget for supplemental expenditures. This was necessitated by multiple increases in the wages of the employees of institutions financed from the budget, the systematic growth of the size of scholarships for the students of educational establishments, monthly compensatory payments for families with children, social benefits, and allowances for children paid to single mothers and other categories of the population, the growth of material costs in conjunction with growing prices for energy resources and other types of products, work, and services, the implementation of decisions of the Supreme Soviet on the priority development of the key sectors of the national economy, and the carrying out of programs adopted by the Supreme Soviet.

The speaker stressed that the year 1993 came to an end with a lot of strain, despite the apparently favorable implementation of the revenue side and the presence of a certain surplus of revenues over expenditures (R9.8 billion, or 1.8 percent). Individual directives and decrees of the government on the allocation of budgetary appropriations to defray the expenditures made, mainly in capital construction, were not executed in the fourth quarter because of a lack of funds. Total arrears by the end of the year exceeded R80 billion.

The areas of expenditure mentioned testify to the fact that the supplemental budgetary funds were allocated strictly within the framework of the budgetary legislation of the republic to ensure the vital operations of the critical sectors of the republic's economy and social protection for low-income strata of the population, taking into account the priorities set by the Supreme Soviet of the Republic of Tatarstan. I ask that you confirm a report on implementation of the 1993 republic budget in the amount of R529.5 billion on the revenue side and R519.7 billion on the expenditure side, with a surplus of revenues over expenditures coming to R9.8 billion.

The 1994 budget message of the president of the republic is also submitted to you for consideration. The government worked on it for a long time. Since the message was submitted to the Supreme Soviet, it has been thoroughly worked on by standing commissions, and has been repeatedly discussed at the meetings of the Presidium of the Supreme Soviet. Within the government itself, painstaking work has continued to refine a projection of socioeconomic development and individual provisions of the budget. We could not fail to take into account the results of the first quarter of this year. For this reason, the government is compelled to submit a second version of the main documents that make up the budget message.

The main proposals that will be reflected in the findings of permanent commissions will form the foundation for the operation of the government, just as in the previous year.

We must admit frankly that the financial situation in the republic is unprecedentedly difficult. Both the slump in production in the republic and the nonpayments crisis, which became cataclysmic by the end of last year, are the main reasons. As a consequence, large arrears in payments to the budget emerged in the process. The failure of the budget to take in the planned amount of funds prevented the government from financing to the full extent the projects envisioned by the budget. The backlog of last year was carried forward to this year and became an additional heavy burden. Particularly large arrears remain in funding for capital investment. Despite the measures taken, arrears in last year's payments to the construction sector have not been paid to this day.

The nonpayments crisis is growing worse. As of 1 April the accounts receivable of enterprises and organizations, i.e. the debts to our enterprises, came to R1.5 billion, whereas now they have exceeded the R2 trillion mark. According to the most conservative estimates, more than R300 billion which has not been contributed to the budget constitutes nonpayments.

The situation remains difficult. Only R250 billion was taken in by the budget of the republic in the first quarter, with projected estimate of intake being R600 billion. Hence the difficulties with funding current expenditures whereby arrears have emerged for the first time even in the payment of wages to employees of institutions financed from the budget, to say nothing about other expenditure items in the budget.

Under the circumstances, various measures, at times desperate measures, to improve the situation in settlements between the enterprises of the Republic of Tatarstan have been taken in the republic: Mutual debts have been offset, including relationships with the budget, and the circulation of bills of exchange has been introduced. We have even succeeded in getting enterprises located outside of Tatarstan involved in such circulation.

We can now say that the republic has succeeded in undertaking a number of large projects in the national

economy, primarily in the agro-industrial complex, as well as those to support the Kama Automotive Plant, some construction organizations, etc., solely due to such measures.

However, it is necessary to stress that it is extremely difficult for our government to radically change the situation under conditions whereby the lion's share of indebtedness to our enterprises for the products delivered is held by partners outside the republic.

The economy of the republic has been integrated into the economy of Russia, the CIS, and the world to such a degree that we are simply not in a position to counteract crisis phenomena without ameliorating the common economic space. Unfortunately, the Russian Government has so far not taken radical measures to fully resolve the nonpayments crisis.

I believe, the minister said, that we have succeeded in offering for the deputies' judgment the only possible budget which not only reflects present-day realities but also comes up with a projection for the future.

The income level has been forecast with average yearly prices growing by a factor of 2.59 compared to prices of the fourth quarter of 1993, profits growing by a factor of three, and the level of reduction in the physical volume of production coming to 17 percent. It would be absolutely incorrect to believe that the budget should be drawn up proceeding from today's situation. A realistic projection is definitely a necessity, which would make it possible to reflect the main directions of the budget policy and give the government an opportunity to work on accomplishing the tasks set by the Supreme Soviet.

The draft budget for the year [word illegible] was drawn up on the basis of the tax system in effect and proposals by ministries, departments, and the heads of administrations concerning the areas of fund disbursement, as well as measures to ensure a balanced budget.

At the initial stage the draft budget, which was drawn up on the basis of requests from ministries and departments and the indexes of the growth of prices to calculate certain budget expenditures, was put at R4.1 trillion on the expenditure side, proceeding from the volume of revenues in the amount of R [number illegible] trillion. The budget deficit was put at R1.5 trillion, which exceeds 50 percent of the volume of revenues. Implementation of this budget could cause the financial situation of the republic to worsen sharply, the budget deficit to grow, expenditures not covered by revenues, and ultimately, the standard of living of the population to decline.

The concept of designing the budget system of the republic for 1994 is aimed mainly at ensuring the survival of the existing network of sociocultural institutions, providing social protection for the people, ensuring the completion of housing construction projects in progress and other facilities in the social sector which are nearing completion, and maintaining the necessary

standard in the sectors of the national economy whose sectors and tariffs are regulated by the state.

What does the revenue side of the budget consist of? The principled position of the government is that the existing tax system is to be fundamentally changed. In the process, it is already difficult to make any proposals to amend tax legislation in the territory of the republic under the conditions of a common economic space and tax policy with the Russian Federation. For this reason, the government requests that the Supreme Soviet endow it with the necessary rights to grant relief of the main sources of taxes in the process of implementing the budget.

The raising of revenue sources in an amount exceeding R3.7 trillion is projected in the republic as a whole. Under a treaty between the Government of the Republic of Tatarstan and the Government of the Russian Federation, between 20 and 23 percent of this will be transferred to the federal budget for the Russian Federation to exercise the powers delegated to it by Tatarstan and to carry out joint programs. The net revenue of the consolidated budget is projected to be about R3 trillion.

The following peculiarities are characteristic of the main sources of revenue in 1994. The value added tax is the largest, and at the same time the one whose impact on today's economy is ambiguous. The rates have not been changed, and come to 10 percent for foodstuffs and merchandise for children and 20 percent for other goods, work, and services. The intake of value added tax by the budget of the republic is projected to exceed R360 billion, or 12 percent of the total volume of revenues in 1994.

Excise taxes, which call for appropriating for the budget additional profits from the sale of alcoholic beverages, tires for passenger cars, oil including gas condensate, fur products, and some other goods, are the next significant source of revenue for the state budget. The intake of excise tax by the budget of the republic is projected to exceed R720 billion, or 22 percent of the total volume of revenues.

Unlike value added tax, profit tax is an instrument that affects the pattern of the spending of funds by enterprises and organizations. In keeping with legislation in effect, it is envisioned to exempt from taxation up to 50 percent of the taxable profits of enterprise funds allocated for the retooling of production, construction and remodeling of facilities of social infrastructure, as well as conversion, repayment of credit, and replenishment of working capital.

The intake of profit tax in 1994 is projected to exceed R725 billion. It is actually given in full to the local budgets; it is projected that less than one-third of the tax, or R232 billion, will be taken in by the republic budget.

The receipt of individual income tax, the main source of revenue for local and in particular rural budgets, is projected to exceed R370 billion in 1994, with the growth of wages taken into account.

The total amount of budget receipts from resource user fees (the water fee, mineral fee, land fee) is projected to reach R104 billion.

Now about the special-purpose taxes to be introduced in 1994. In keeping with Russian tax legislation, a transportation tax and a special tax for financial support of key sectors of the national economy have been introduced. The projection for them comes to R180 billion, or 6 percent of the volume of budgetary revenues. We recommend that the Supreme Soviet introduce two more taxes: a levy to meet the needs of educational institutions in the amount of 1 percent of the labor compensation fund of enterprises, organizations, and institutions, and a tax for maintenance of the housing stock and facilities of the sociocultural sector in the amount of 1.5 percent of the volume of product sales by enterprises. The projection for these two taxes comes to R156 billion, or 5 percent of the volume of budget revenues.

With a view to reinforcing the budgets of the local soviets, we propose to assign the property tax to the localities in full, the volume being more than R240 billion, or 8 percent of the volume of budget revenues. It is proposed to raise the level of the rate of this tax to 2 percent.

Subsequently, D.N. Nagumanov moved on to outline the budget policy of the economical disbursement of funds. The proportion of expenditures for maintaining sectors of the national economy is still considerable in the draft budget. The main task of the government is to gradually abandon comprehensive subsidization of the sectors of housing management and municipal facilities, passenger transportation by motor vehicles, and other sectors in which all residents of the republic enjoy preferences. It is necessary to make a gradual transition to a level of rates and the cost of services approximating actual outlays, with powerful social protection afforded at the same time to the least affluent strata of the population.

However, there are many objective difficulties in this instance. Thus, a clear-cut system of accounting for the incomes of citizens is lacking. Issues of registration of citizens by category have not been ultimately resolved at the local level; the mechanism of compensation for individuals in need of social protection has not been fully refined. This is why at present it is impossible to abandon the existing system of subsidization for the sectors of the national economy. As a result, it is expected that large sums will be allocated to offset the losses of the housing management sector and municipal services (R600 billion) and to offset losses due to the use of regulated rates in highway, river, railway, and air transportation (about R100 billion).

We propose to allocate more than R115 billion to maintain the departmental housing stock which will be, as needed, converted to municipal property and maintained out of the budget.

Support for the agro-industrial complex—the social development of rural areas, coverage for a proportion of the outlay of the producers of agricultural output on the acquisition of mineral fertilizer and pesticides, fundamental upgrading and reclamation of land, and so on—remains a priority area for budgetary expenditures. It is planned to allocate R370 billion for these purposes.

It is envisioned to allocate about R250 billion as subsidies to the producers of agricultural output in order to maintain prices for food staples at a level affordable to the population of the republic.

It is proposed to allocate 20 [words illegible] for the conversion of enterprises in the defense complex.

Major funds are still planned for the sociocultural sphere. However, the current volume of envisioned expenditures for public education, culture, health care, and other sectors does not fully meet the now customary needs in this area in view of the absence of sufficient funds.

As far as expenditures for the maintenance of the organs of state power and government are concerned, the speaker stated that in the draft consolidated budget for 1994 they increased to 2.4 percent compared to 2 percent of the actual expenditures based on the results of 1993. The main reason is found in the multiple increases in prices for the lease of premises, motor vehicle maintenance, municipal services, and office expenses. There is only way out: The strength of the government apparatus and the number of official passenger cars need to be cut deeply.

After protracted debate and discussions, a program of capital construction for the local soviets was set at a volume of R530 billion.

In designing mutual relations between the republic budget and the budgets of the republic's rayons and cities, observed D.N. Nagumanov, the tasks of the government and the Ministry of Finance were to coordinate the entire economic potential of the republic with a view to stabilizing the situation in the national economy. The economic conditions are not the same for all regions at present. In some regions the defense complex with its problems prevails, whereas in others—highly profitable enterprises adapted to a market economy. At present, agriculture does not generate revenue for the budget at all, whereas the existing network of sociocultural institutions, as well as the production of agricultural output proper, require a large investment of capital. Therefore, the volume of subsidies and standard withholding rates were planned proceeding from the potential of the republic and individual regions to raise revenues, the structure of ownership in each rayon (city), and the need for all budgets to finance expenditures in keeping with the legislative and regulatory acts in effect.

In summation, the speaker stressed that the 1994 budget was drawn up with a considerable deficit, and even now is extremely difficult to comply with because of the

current economic situation. Adjustments will have to be made continuously proceeding from the rapidly changing economic and financial situation.

#### Tatarstan Deputy on Work of Current Soviet

944F0613A Kazan *IZVESTIYA TATARSTANA*  
in Russian 23 Apr 94 p 1

[Interview with Ivan Grachev by Galina Grigorenko; place and date not given: "The Political Situation in the Republic of Tatarstan Is Developing Normally"]

[Text] Two days ago the 19th session of the Supreme Soviet of our republic adopted a decree on termination of the authority of the people's deputies who have been elected to the State Duma of the Russian Federation. They include Ivan Grachev, who was for several years the head of the Power of the People parliamentary faction of the Supreme Soviet of the Republic of Tatarstan. But the change in status does not, of course, mean that this politician is no longer interested in problems of a republic scale. He frequently travels to Kazan and coordinates, as before, the activity of the Equality and Legality election bloc. Our correspondent met with Grachev on the first day of business of the present session of the Republic of Tatarstan and put several questions to him.

[Grigorenko] Ivan Dmitrievich, how would you evaluate the present session?

[Grachev] Quite a standard session, nothing new or interesting. I have a negative view of the budget message of the president of Tatarstan. In what way, for example, does a feudal state differ from a democratic one? In the first the ruler distributes the requisitions from various classes at his discretion, in the second, the collected taxes are transferred to the representative authority, which determines the rules of their expenditure and monitors all outlays.

I know from personal experience that the deputies of Tatarstan had no opportunity to exercise supervision of budget funds and the actual income from the republic's foreign economic activity or to influence the distribution of taxes. The real structure of the budget is now as follows: for the needs of the agro-industrial complex, up to 70 percent of all investments in the national economy, and for the development of "defense," which is the future of the Republic of Tatarstan, only two percent. This imbalance is unfair to the urban electorate and is fraught with the danger of a surge of unemployment and the destitution of many thousands of inhabitants of the republic. Even today we need to be creating new jobs in the cities of Tatarstan and to be seeking options for support of the "locomotives"—the most active industrial enterprises. All this will require much material expenditure because nothing comes free. The well-known saying: "The skinflint pays twice," should not be forgotten.

[Grigorenko] What step, in your view, should the corps of deputies take?

[Grachev] It would be expedient to vote down the proposed budget for approximately a month. Within this time a working group composed of people's deputies, members of the government, and businessmen would examine the most serious problems. I refer primarily to an easing of the tax burden, which is far higher in the Republic of Tatarstan than in the Russian Federation. Thus at industrial enterprises of Russia there are per R1 of profit an average of R1.4 direct and indirect taxes, in our republic, R1.7. Were it possible to find a solution that would make it possible to lower certain types of taxes, many municipal structures and industrial enterprises would have a pretty good chance of development.

[Grigorenko] Lately, information has been heard from various sources that the Government of Tatarstan will very shortly be forced to resign or, at least, undergo significant personnel changes. How do you view this prospect?

[Grachev] The members of Power of the People do not intend to vote for the resignation of Prime Minister M. Sabirov. I am convinced that for the reform of the managerial structures a transitional period, in which it is necessary to preserve stability and set about the reforms in earnest, is essential. Mukhammat Sabirov is coping successfully with the first task, and the accomplishment of the second is not, from our viewpoint, confined merely to this candidate. The opposition is opposed to revolutionary changes in the government. Let the team that is there now maintain economic stability in the republic. And a market managerial structure imbuing more and more powers should grow and gradually strengthen.

[Grigorenko] What, in your view, is the political situation in Tatarstan?

[Grachev] It is developing in the right direction. The fact that more than 30 parties and blocs are operating in the Russian Federation at this time is of little use, in my opinion. A two- or three-party political system may be considered suited to regulation of the economy. A favorable situation is taking shape here in Tatarstan in this sense. We have the Equality and Legality bloc, the party of the nomenklatura, Unity and Progress, the national political organizations, the communists, who will, most likely, "degenerate" into social democrats.... Ultimately a three-party system will be formed in the republic, and the electorate will know precisely at the next elections for whom to vote.

[Grigorenko] Judging by foreign press reports, the rating of the leader of the Yabloko bloc has begun to grow once again. Among the candidates for the office of president in the not-too-distant future experts put Grigoriy Yavlinsky second after Viktor Chernomyrdin....

[Grachev] From the viewpoint of personal image the leader of our bloc could lay claim to first place also. But, as practice has shown, an excellently organized team, which gathers all the necessary information, distributes leaflets, and performs precisely many other assignments,

is also needed for the achievement of complete success. It is this election machine that Yabloko lacks. I am prepared to help Yavlinsky create it.

[Grigorenko] May the suppositions of certain of the capital's journalists that the president will necessarily acquire such allies as the Russia's Choice and Yabloko blocs be considered objective?

[Grachev] There need be no doubt about Russia's Choice, but close interaction with the Yabloko bloc with a normal development of events is unlikely. The situation could change only in the event of a powerful showing of the Zhirinovskiy and Zyuganov factions.

As far as my personal opinion is concerned, Yeltsin should not run in the next elections: he has already honorably done all that he was supposed to have done. Of course, the president's entourage could play a part. These people are no longer in a position, evidently, to nominate a new leader and for this reason are prepared to instill in Boris Nikolayevich the idea of the need to take part in the elections once again.

[Grigorenko] There are stories in Moscow about the fine life of deputies of the State Duma. A few words about how your daily routine is arranged and whether normal conditions for work have been created.

[Grachev] I am staying in a hotel and I have been promised an official apartment at the end of summer. I can summon a car, although I am successful here far from always. But, like other deputies of the State Duma, I am most depressed by the fact that practically none of us has his own work place. It is not even a question of the lack of an office but of an ordinary writing desk in the parliament building.

#### Tatarstan 1993, 1994 Foreign Trade Viewed

944F0612A Kazan RESPUBLIKA TATARSTAN  
in Russian 21 Apr 94 p 2

[Report by R.F. Muratov, deputy prime minister of the Republic of Tatarstan, at the 19th session of the Republic of Tatarstan Supreme Soviet on 18 April 1994: "On the Foreign Economic Activities of the Republic of Tatarstan in 1993 and the Paths of Its Development in 1994"]

[Text] Esteemed people's deputies! In 1993, our foreign economic activities proceeded under quite difficult conditions. Pricing discrepancies in conjunction with the introduction of national currencies by a number of CIS countries were acutely felt. The introduction of various customs restrictions and new export and import tariffs posed a serious problem. The situation was complicated by continuing crisis processes in the economies of Russia and Tatarstan. Nonetheless, there were conspicuous changes in the foreign economic activities of the republic. The volume of foreign trade of the enterprises and organizations of the republic came to \$1.7548 billion, which was 2.7 times more than in 1992. A number

of factors were responsible for the increase in the volume of foreign trade, including an increase in the number of participants in foreign economic relations, of whom there were 1,340. The 1993 exports came to \$1.0166 billion, of which \$760.8 million was through direct relations. In terms of the sectoral structure of exports, changes occurred in the direction of increasing the proportion of raw and other materials from 79 percent in 1991 to 89 percent in 1993. The proportion of machinery and equipment declined accordingly from 20 percent in 1991 to 10 percent in 1993. Last year, the enterprises and organizations of the republic imported products worth \$738.2 million, of which \$188.2 million was through direct relations.

In the three and a half months of 1994, 10 enterprises with the participation of foreign investors were registered. The total number of such enterprises reached 127 as of 15 April 1994. Thirty-three representatives of companies from America, England, France, Germany, and Austria have been accredited.

The conclusion of a treaty between the Russian Federation and the Republic of Tatarstan, as well as an agreement between them on the delimitation of powers in the area of foreign economic relations have fundamental [word illegible] for our foreign economic activities. The treaty has clearly laid down the right of the republic to independent foreign economic activities. The treaty and the agreement impart the necessary certainty to the regulation of foreign economic activities, the jurisdiction of the parties, their powers, and their responsibility.

Tatarstan is free to sign commercial and economic agreements with foreign states, as well as foreign partners. At the same time, a mechanism for the implementation of these important documents is lacking at present, and an enormous effort to develop it lies ahead.

The speaker went on to note that a number of projects and programs in the area of foreign economic activities have now been developed, in particular, the draft of an incentive program for industrial exports from Tatarstan and a draft program for attracting foreign investment to the republic.

Much attention has been paid to integrating the republic into the existing system of international economic relations. Forty-four projects to create new production facilities and to introduce new technologies have been selected. Standard forms for substantiating investment projects have been developed; a computer database for these projects has been developed; patterns for the receipt of loans from foreign banks and financial corporations to be guaranteed by the Republic of Tatarstan government have been specified.

At the same time, the raising of foreign capital is hampered for two principal reasons. First of all, we have yet to complete working with the federal government on defining independence in the area of setting quotas and issuing licenses for products delivered for exports, as well as in the area of export and import duties. At this

point, R.F. Muratov stressed that for us to be able to make a clearer determination as to our prospects, we must agree that these quotas, if there are such, should be established for a term of no less than five years. At the same time, it is necessary for the republic to agree with the federal government that the government of the republic will set export and import customs tariffs independently within the concept of a national program in which priority directions for the development of the economy will be mapped out.

If we want to attract foreign investment, we must say to what degree we can guarantee its return so that the excessively frequent change in the decisions of the federal government related to export and import tariffs will not eliminate the opportunity to make long-term projections of investment in the economy of Tatarstan.

The second reason is related to issues of an internal nature. This is primarily the issue of ownership, further on, the issue of the finance and credit policy of the republic, and only after that the establishment of market-economy institutions.

At present, the issue of ownership is the bone of contention, beginning with the ownership of land. Uncertainty in this area may hamper the process of foreign capital investment. It should also be clearly perceived that the financial and credit status of the republic is such that it cannot cure the ailing economy. It is necessary to rationally use finance and credit within the circulation of the ruble itself by revealing internal reserves. In the process, it is also necessary to take into account [word illegible] funds that are yet to be received during 1994 from our enterprises in the form of taxes. At present, unconventional decisions are needed with regard to the use of credit from the Central Bank of Russia and federal credit as a whole.

R.F. Muratov went on to say that the issues of creating market institutions are becoming increasingly current. If such are active in some quarter it is necessary to support them so that they will be able to work with foreigners directly. If we want to integrate into the world economy, and we do wish to do this, we should definitely accept the rules of the game of those who already operate in this sphere. They demand that we create a Chamber of Commerce and Industry, an agricultural chamber, leasing and insurance companies, and banks, and give them an opportunity to operate. All of them should be privatized, i.e. amount to joint-stock companies or be privately administered.

We proceed as an independent state, and we must be aware of and know how to analyze economic problems. Undoubtedly, the analytical segment of our operations should be developed to this end. In view of this, it has become necessary to create within the State Committee for Statistics of the republic a service that would engage

in the development of clear-cut approaches, the forecasting of financial and credit relations, and the dovetailing of our actions with those of the economic components and customs statistics of the Russian Federation as a whole. We would like to hope that in the future, this would be done to European standards.

The speaker subsequently noted that very many questions arise concerning approaches to and the implementation of the program of priority areas. These questions are asked with a sense of alarm over the propriety of the use of foreign exchange funds received. We must say that there has been certain progress on this score. An export department has been established at the Ministry of Foreign Economic Relations; expert reviews are administered with the use of specialists. As a result, funds exceeding \$700,000 have been saved since the beginning of this year alone. It is necessary for the Ministry of Foreign Economic Relations to be in possession of all informational materials, for a long-range program to be developed, and for action to be taken to solve urgent problems.

Touching on the disbursement of foreign exchange funds obtained by the republic in 1993, R. Muratov said that, on the whole, oil exports yielded \$306,5483 million. The balance of funds as of 1 January 1993 came to \$67,8362 million. Therefore, \$376,6473 million were allocated by us to meet social needs. As of 1 January 1994, we had \$22,3608 million.

Owing to credit resources, we paid \$116 million less for foodstuffs in 1993 than had been envisioned. That a number of goods whose prices increased considerably were delivered by various unorganized structures and were sold in the territory of our republic also was a factor. Health care and the organization of leisure also made certain economies. Overspending was allowed to occur in the agro-industrial sector in conjunction with purchases of insecticides and pesticides, seeds, and machinery, and the acquisition of advanced technologies. This endeavor should be put in order. We cannot go along with such purchases turning into the free handout of additional funds. I would like to stress that in the long term, all foreign exchange outlays will be accompanied by ruble cover out of the budget. There is no other way.

We have issued to you, the deputies, a detailed table based on the projection of foreign exchange proceeds from the export of oil in 1994. To my mind, it does not even require commentary. What is important is that the severance export duty established by the federal government eliminates oil from the export potential because it becomes unprofitable. However, we must say that the issue of not setting quotas at all for the delivery of oil abroad is being discussed by the Russian Government, as well as the issue of the reduction of the export duty. The government of the republic is making efforts to this end; however, so far we have not heard about a decision of the federal government to exempt oil within the regional quota from the export duty.

At present, oil is sold through the Tatneft Association. As you know, in keeping with a decision of the federal authorities, all export deliveries and the foreign exchange they yield are exempt from duties of all kinds on the condition that these funds are allocated to expand prospecting for oil, and the production and delivery of it and other energy resources. At present, a similar situation is also emerging at the Nizhnekamskneftekhim Production Association whereby a number of key petrochemical products, beginning with fuel oil, first, are subject to the export duty and, second, are covered by the decision on delivery quotas and licensing. Therefore, the Nizhnekamskneftekhim could have customers abroad who would pay in foreign exchange; however, the customers want to work with a supplier, say, at least a year rather than one to two months.

In summation, R.F. Muratov stressed that the export potential of the republic is sufficiently large and its development may proceed in a more optimistic mode. However, a precise coordination of activities is needed to this end.

#### **Edict on Suspension of Edict on Ingush Security Service**

*944F0557B Moscow ROSSIYSKAYA GAZETA in Russian  
9 Apr 94 p 4*

[Edict of the Russian Federation President: "On Suspending the Effect of the Edict Issued by the President of the Republic of Ingushetia on 21 March 1994, No 63, 'On the Republic of Ingushetia Ministry of Security,'"]

[Text] In connection with the issuance of the edict of the President of the Republic of Ingushetia dated 21 March 1994, No 63, "On the Republic of Ingushetia Ministry of Security," which contradicts Article 71 of the Russian Federation Constitution and the Russian Federation presidential edict of 5 January 1994, No 19, "On Ratification of the Statute on the Russian Federation Federal Counterintelligence Service," I hereby decree:

1. Based on Articles 80 and 85 of the Russian Federation Constitution, to suspend the effect of the edict issued by the President of the Republic of Ingushetia on 21 March 1994, No 63, "On the Republic of Ingushetia Ministry of Security."
2. To propose to President of the Republic of Ingushetia, R. S. Aushev, that he bring the said edict into line with the Russian Federation Constitution.
3. The present edict shall become effective from the moment of its signing.

[Signed] Russian Federation President B. Yeltsin  
Moscow, the Kremlin  
5 April 1994  
No 659

**Flight of Ingush Refugees in Nazran Described**

944Q0315A Moscow NOVOYE VREM'YA in Russian  
No 14, Apr 94 (Signed to press 5 Apr 94) pp 16-19

[Article by Galina Kovalskaya: "Behind a Line a Stone's Throw From Home"]

[Text] I remember these trailers. Typical temporary trailers made of planks, void of conveniences—God knows how many people stuck inside... It seemed to me then that unless the refugee problem were resolved in the immediate future, a quick explosion would be unavoidable—you cannot live that way.

Now that a year has passed, the number of temporary trailers has multiplied. There are 11 refugee settlements in Nazran alone, with 100 families in each. You can live months with the most loving relatives, the most cordial and hospitable hosts, but not for a year and a half—with a mob of kids (the way the Ingush see it, a four-child family is a small family) and other people hanging on.

And all those who have not yet moved into a temporary trailer look into your eyes ingratiatingly when they run into you: "Will you be meeting with our leadership? Could you not help me out—to speed up the time I have to wait in line for a trailer?" While the settlements grow one by one—enclosed areas densely covered with trailers and two or three wooden outhouses.

**Crowded and Pinched**

Gas and electricity lines have been laid to the settlements. Now and then the light goes out due to overloads—heating devices are hooked up everywhere and some people have obtained old television sets from relatives, though the power supply is intended only to energize room light bulbs...

There is yet another stinging refugee problem—sickness. Due to the terrible population density, lack of normal hygiene conditions, and simply the moral and physical shock of a year and a half ago, epidemics flare up and spread rapidly in the refugee camps. The shortage of medicines is felt more acutely in this republic than on the whole across Russia. Medical institutions designed to treat a certain number of patients are located in areas where the population has almost doubled since November 1992.

The settlements are attached to nourishment facilities which provide food free of charge once per day. The rest comes from what relatives dish out—one is not going to live it up on the Russian allowance of R1,800 per month. There are also "children's" allowances and unemployment compensation. Without any doubt, there is not enough money to live on. And only a certain few specialists manage to find work in Ingushetia.

It is not only the residents of Prigorodnyy Rayon that the war has doomed to unemployment. From a time long ago, ever since they returned from Kazakhstan, it was so ordered that the residents of Nazran and the large and

small villages would travel to work every day in Vladikavkaz, the capital of Northern Ossetia (the Ingush prefer to use the Soviet name Ordzhonikidze, but most often simply call it the city), or—which was considered less prestigious—to the Chechen city of Groznyy.

Today there is no work in Groznyy even for its own residents, and the Ingush are prohibited from going to Vladikavkaz. It turns out that the newly formed republic has collected tens of thousands of active, able-bodied people without normal living quarters, without the means of existence, without prospects to quickly find work.

The bulk of the refugees are rural people who have become accustomed to their own gardens and orchards, their own livestock, their own housekeeping. Tens of thousands of people who day after day without exception fed livestock, milked, plowed, sowed, fished, and gathered the harvest—for a year and a half now have been lying about with nothing to do, half starving for days on end.

**Just a Stone's Throw From Home**

Human beings become accustomed to everything. No matter how many refugees there are in this unfortunate country, adaptations and accommodations are made. For these people deported from Vladikavkaz and Prigorodnyy Rayon, however, their own homes are just a few dozen kilometers from their present location. You could get into the car of any relative. No need to load any things—you left with just what you had on you, and you would be home in half an hour.

There, at home, war has not been seen for a year and a half. Your garden sits there unsown. Your neighbors have your cow, if it is still alive, and they would probably return it to you. How do you resign yourself to the fact that situated between you and your own home is the Russian Army? How do you tell yourself that you will go home no more and might as well get settled in your new location, where no one needs you?

The Ingush is accustomed to putting everything into his home. About 30 percent of the adult male Ingush population have engaged in so-called "moonlighting." In Vladikavkaz, in Groznyy, and in Russia, the Ingush have been hired to perform the most menial daytime labor. But at least they received decent pay for it, at least they had the opportunity to build themselves a house. Without his own home, a man is not a man. It is not befitting for him to marry, let alone start a family.

The most important thing sustaining the Ingush Republic today, the thing that is on everyone's lips—from politicians to kolkhoz workers, from refugees to inhabitants as local as can be—is the return of those deported. A change has taken place in the overall national concept. Whereas before, the main idea uniting the Ingush was the return of Prigorodnyy Rayon, today the main thing is the return of the refugees.

It is not that the Ingush are prepared to reconcile themselves to the fact that Prigorodnyy will remain within Northern Ossetia. It is simply that this question has been shifted to the background for the time being as compared with that of the deportees. This is without any doubt due to the personal efforts of President Ruslan Aushev, who declared that over the period of moratorium with respect to territorial redistribution declared by Russia (until the end of 1995), Ingushetia would not raise the issue of Prigorodnyy Rayon.

#### The Other Side of the Terek

Any modern political figure would envy Aushev's prestige in the republic. In the year of his presidency he has been able to accomplish what until quite recently was considered impossible—to announce the rejection of any claim to the right bank of Vladikavkaz and demonstrably lay the foundation of a new future for the capital of Ingushetia.

The history of the right bank issue is as follows. In 1924, when the Ingush Autonomous Oblast emerged, Vladikavkaz became the dual capital of Ossetia and Ingushetia. In 1934, the Ingush Autonomous Oblast was merged with the Chechen Autonomous Oblast, Groznyy was declared the capital of Checheno-Ingushetia, and Vladikavkaz (then Ordzhonikidze) was given to Ossetia.

When in 1991 the Law on Rehabilitation of Repressed Peoples was issued with its famous Article 6 providing for territorial recovery, the Ingush declared that the repression of their people began not in 1944, the year of deportation, but in 1934. The inference drawn here was that the Ingush Republic should be restored to its 1924-1934 borders, i.e., that half of Vladikavkaz be ceded to the Ingush.

This concept was very quickly assimilated by the Ingush masses—the point being that the Ingush did not simply lack their own capital, they virtually lacked a city of their own. Nazran is essentially a city-type settlement. It has no institutions of higher education, no scientific research institutes, no major enterprises. A tremendous part of the Ingush people was associated with Vladikavkaz, where they went to earn a living and to market far more frequently than to Groznyy.

It would be difficult to imagine the future republic without this city. It is precisely for this reason that people stubbornly refused to hear the voice of a few Ingush politicians with common sense who tried to warn that an undertaking with Vladikavkaz was pure adventurism which could only impede efforts to get back Prigorodnyy Rayon.

And so it came about that Ingush representatives failed to approve, and thereby prevented, signing of the edict already drawn up on the reassignment of jurisdiction of Prigorodnyy Rayon only because this left the whole of Vladikavkaz within Northern Ossetia. In addition, they did not build a capital of their own out of useless expectations of getting Vladikavkaz. They did not work

to create republic industry, a system of education, public health care, or an infrastructure.

#### Ruslan and His Team

In addition to everything else, Aushev's decision marked a transition to real state structuring. Aushev knew what he was doing when he moved toward the universal presidential elections. One year ago his only capital in Ingushetia was popular recognition and trust. His main ties and contacts remained in Russia.

Relying on this trust, he has today been able to create a political structure comprised of people loyal to him, a structure fairly strong on the local scale. The key positions in Ingushetia are occupied by pro-Aushev Afghanistan war veterans—people whose reliability the president need not doubt and with whom he can truly effect teamwork. The clearest example of this—though far from the only one—is that of Vice President Boris Agapov, not even Ingush in nationality but Aushev's fellow comrade in the military.

The rapid movement along the path of turning the Ingush Republic from myth into reality led to an almost equally rapid movement of previous national leaders now living and working in Groznyy to the periphery of political life. Groznyy is today an ever more alien center, the capital of a different republic, and the Ingush intelligentsia of Groznyy have correspondingly less and less influence on the public opinion of the Nazran Ingush.

According to the Ingush Constitution, all heads of administration, from top to bottom, rayon to village, are appointed by the president. Here too Aushev has been actively replacing leaders, preferring to appoint people who are at least "his own"—tested and reliable, if not from among local residents.

It cannot be said that replacement of the entire political and economic elite has been effected without any pain. Protests, complaints, and petitions requesting that the former leader be restored have assumed such a large scale that Aushev was forced to respond to them with the military straightforwardness that is characteristic of him. He issued a special edict warning of accountability for attempts to intercede on behalf of "notorious criminals."

#### The Hotel and OMON

All the same, neither the decision on Vladikavkaz nor the landslide flow of resignations has managed yet to temper the people's love for the president. He and his team remain completely effective. Changes made over the past year are even evident to the eye. Eternally dirty, ragged Nazran has quietly become cleaner and tidier, especially in its center.

For the first time in the entire history of the Ingush, a hotel has appeared. This is no trifling matter, but rather a significant political act. Up until now, officials visiting the Ingush Republic were forced to stay over in

**Vladikavkaz.** It is even more significant that state structures have begun buying up weapons from the populace.

It is in fact a buy-up that is taking place and not a confiscation—which would be entirely unrealistic. In other words, actual efforts as stipulated by agreement with Northern Ossetia with respect to disarmament and disbandment of unlawful armed formations are underway.

In addition, Aushev has managed to reduce criminal tension in the republic. It is being done with difficulty, in a far from faultless process at present, but the activity of OMON [Special Missions Militia Detachment], the police, and the courts is being set on track. In this sense, the absence of roots in local tradition by the Aushev team works for the good.

A state of emergency was maintained in the village of Troitskaya and OMON detachments stationed here by presidential edict for half a year. The OMON people are now gone, and the order which was restored is still generally present.

Troitskaya is that very village from which the mass exodus of Russians began following the sadly well known pogrom of the spring of 1991. At the outset of 1991, 90 percent of the village population was Russian (mainly the descendants of Terek Cossacks). Today 11 percent of the populace is Russian. I travelled to Troitskaya immediately following the pogrom and again last year, and I can attest that local authorities not only did not force the Russians out—they tried in every way possible to halt their departure.

But people continued to leave, frightened by the growth of banditry and crime against which they found themselves defenseless. (The Ingush also suffered from the ineffectiveness of law enforcement organs, but they very quickly engaged a system of familial and clan self-defense, while the Russians simply found themselves victimized by the hooligan lawlessness.)

Now that protection is at least in some way restored, it would seem that there is no longer any reason to leave. However, the change in demographic interrelationship has already been so strong that in itself it seems to provoke resettlement. People accustomed all their lives to living in one cultural milieu found themselves in an entirely different world literally in the space of two years.

Although relations with neighbors are good, as a rule, many of those who remain talk about the fact that they would like to move to where their relatives are. To the credit of the Aushev team on the highest and on local levels, leaderships understand full well that any and all measures must be taken to preserve the Russian community.

First of all, all political speculation regarding oppression by Russians is undesirable for Ingushetia in its present state—after all, it is to the Russian authorities that the Aushev leadership is looking to obtain measures on

refugee resettlement, and in the long term—measures to effect the rejurisdiction of Prigorodnyy Rayon.

Secondly, there is simply the existence of national specialization. Who is going to work on a pig farm without Russians? Indeed, like doctors and teachers, Russian agricultural specialists are presently irreplaceable.

In order to sustain the Russian community, it is necessary to augment it. Serious negotiations are underway and a delegation is being sent to Krasnodar Kray, to those who recently resettled. Aushev is proposing certain benefits for "returnees." At present just a few people have returned to Troitskaya—13 families in all. But the process is in fact underway.

Of course, the refugee problem remains one of the main obstacles on this path. Conversation arises now and again: "Why must we go around persuading departed Russians to return when we have 60,000 people we do not know what to do with?" But official ideology and the mood of society are oriented on the idea that the refugees must be settled back to their origins immediately.

#### Attacks Coming Not From Neighbors, but From Bandits

To what degree are these hopes realistic? The Ossetian leadership is trying in every possible way to impede the return of Ingush refugees. However, some have returned in defiance of threats and prohibitions.

Those with whom we managed to speak explain that their arrival has not elicited any "spontaneous protest" on the part of neighboring Ossetians. The danger confronting the Ingush comes from quite a different direction—at night, at any moment, armed people in speckled uniforms may appear (who knows whether they are OMON or Ossetian, the Guard—now renamed the Directorate for Defense of Economic Facilities, or simply bandits?) and begin firing at windows, setting fires, and raiding.

Russian forces, of which there are 30,000 in the state of emergency zone, are in no position to protect residents from the bandits. In the view of the Ingush, they appear to manifest a rare helplessness.

According to prescribed procedures, Ingush refugees who want to take a look at their home or take something from among their things which has miraculously remained intact must provide a statement of their intent beforehand, wait in line, and then move to the village in question in organized column formation, accompanied by Russian military personnel.

But often the column is attacked and forced to return, sometimes assaulted and pelted with rocks. Under these conditions, soldiers not only fail to fire warning shots into the air—they also do not use gas, water, or whatever is available to put a halt to the hooliganism.

So what are the Ingush counting on, since the Russian protective force is not working, or at least is not working

in their favor? From all appearances they are counting on a change in the aims and sentiment of Russian leaders—from "pro-Ossetian" to "pro-Ingush."

Judging from the recent session of the Federation Council, certain shifts are taking place in this direction, although not as rapidly as Aushev would like. The drama lies in the fact that the refugees must at least begin to resettle immediately.

### Possibilities for Ingush-Ossetian Peace Settlement Viewed

944Q0315B Moscow NOVOYE VREM'YA in Russian  
No 14, Apr 94 (Signed to press 5 Apr 94) pp 18-19

[Article by Olga Vasilyeva: "One Way Out: An Ingush Enclave"]

[Text] Despite the state of emergency existing in the zone of conflict, a "quiet war" continues between the Ossetians and Ingush. According to data from the Russian Ministry of Internal Affairs, from December 1992 through January 1994, 167 homes of Ingush and 107 of Ossetians were blown up, and more than 100 people were killed. Arms purchases and attacks on military facilities continue. Many times the situation has been on the verge of renewed armed clashes due to a failure to provide accommodations for refugees in Ingushetia and Northern Ossetia.

Both sides continue to preserve their paramilitary formations—"officially" in Northern Ossetia and "unofficially" in Ingushetia. The leadership of Northern Ossetia explains its refusal to disarm the republic guard (presently termed "units for safeguarding economic facilities") by virtue of the absence of borders with Chechnya and attacks on economic facilities by armed individuals from Chechnya.

Sergey Shakhray, chairman of the State Committee on Nationalities and Regional Policy Affairs, noted that until such time as the sides engage in constructive negotiations, "Russia is financing the conflict." We should add that in 1993, R100 billion from the federal budget was appropriated to finance accommodations for refugees, and R23 billion—for upkeep of the provisional administration.

The positions espoused by the parties have not undergone any special change. The Ingush side has not abandoned the idea of the return of Prigorodnyy Rayon—Article 1 of the Constitution of Ingushetia, approved 27 February 1994, states that it is the objective of the state to effect the return by political methods of illegally seized lands. As before, the Ossetian side believes that the status of Prigorodnyy Rayon within Northern Ossetia must be consolidated in order to resolve the conflict, and following this must come the demarcation of Ingush borders. The North Ossetian leadership is insisting on the need for a political assessment of the events of 1992 and on holding the initiators of the conflict accountable. An agreement was reached at the

latest bilateral talks of 2-3 April on the return of Ingush refugees to four villages: Chermen, Dangaron, Dachnoye, and Kurtat in Prigorodnyy Rayon, as required by the Russian Federation presidential edict of 13 December 1993. However, Northern Ossetia is declaring its readiness to accept only those Ingush who "did not participate in the conflict." In this regard, in the opinion of the Ossetian side, resolution of this issue should be comprehensive, i.e., should take into account the problems of 47,000 Ossetian refugees from Georgia and consideration of the opinion of the rural (Ossetian) population that remains in Prigorodnyy Rayon. From all appearances, the leadership of Northern Ossetia intends to torpedo resolution of the problem of returning Ingush refugees to their homes. This is seen by the slogan advanced one year ago of the "impossibility of joint habitation" of Ossetians and Ingush.

The Ingush side, in turn, supports the introduction of federal rule as the only measure capable of resolving the problem of phased return of the Ingush to Prigorodnyy Rayon.

Most representatives of federal structures of power also consider it necessary to introduce federal rule in the territory inhabited by the Ingush in Prigorodnyy Rayon. However, they are not raising this issue at trilateral meetings out of fear of destabilizing the situation in the region. In addition, the legal basis is lacking at present for effecting federal rule in the territory of a nation-state formation in the Russian Federation.

A full settlement of the conflict is impossible at the present stage. To stabilize the situation in the zone of the Ossetian-Ingush conflict, it would be advisable to drag out the question of demarcation of borders of Northern Ossetia and Ingushetia, since a "definitive" resolution one way or another with respect to borders could aggravate the situation in both republics and lead to new armed conflict.

It is necessary in the zone of conflict to return to the idea of creating a "purely Ingush" enclave of villages. Judging from the decree adopted by the Northern Ossetia Supreme Soviet on the "impossibility of joint habitation of Ossetians and Ingush," the Ossetian side supports such a decision. The Ingush side will likely come out against it since they are counting on a return to the borders of 1944. However, creation of a "purely Ingush" enclave of villages in the development of local self-government will in time enable resolution of the problem of forming a broad autonomy of Ingush in Northern Ossetia and will thus remove the question of clashes of the Ingush populace with "Ossetian" organs of authority, which was the immediate cause of the military operations in 1992. In the future, the "Ingush enclave" could fall within a dual jurisdiction—subordinate to Northern Ossetia for administrative matters, to Ingushetia for cultural affairs.

It is necessary that efforts begin in the construction of housing and in the return of refugees to control of the

federal authority. In this regard, the financing of such measures must be public and effected directly out of the federal budget. Otherwise, it is highly likely that the leadership of Northern Ossetia will reject the return of Ingush refugees under pretext that the construction was proceeding "at the expense of the republic budget" (although the budget of Northern Ossetia in 1993 was subsidized by the federal budget to the extent of 57 percent) and that its organs of authority have the right to decide which refugees—Ossetians from Georgia or Ingush—are to be settled into new homes.

The search for a resolution to the conflict must be based on bringing the situation and the legal norms regulating it into conformance with the general federal laws and Constitution of the Russian Federation, not on historical research from various points of view.

One of the most immediate tasks of the Federal Assembly is to draw up a legislative base to allow the federal center to effectively play the role of arbiter in the event one of the sides refuses to seek compromise. In addition, it is necessary to develop a legal basis for the interrelationship between the center and regions in order to overcome the lack of regulation of the activities of local organs of authority on the part of the federal center.

Periodic hearings in the Federation Council on settlement of the Ossetian-Ingush conflict could become an effective mechanism of accelerating the procedure for coordinating the positions of the sides. This measure would enable the federal center to avoid ill-considered decisions in the region, exert pressure on the conflicting sides prior to the formulation of general federal legislation on conflict resolution, and avoid accusations of application of a unilateral approach in resolving the crisis.

#### **Chelyabinsk Environmental Conditions Noted**

**944F0605A Novosibirsk VECHERNIY NOVOSIBIRSK**  
in Russian 19 Apr 94 p 10

[Article by A. Salostiy and V. Androsov: "Siberian Bums A. Salostiy and V. Androsov Write"]

[Text]

#### **Oh, Those Barabinsk Steppes!**

While waiting for an electric commuter train to pass through Kargat, the participants in our experiment were warmly greeted in the editorial offices of the newspaper ZA OBILIYE. By evening they had reached Barabinsk.

We did not do our act in the commuter train to Barabinsk—there were only four cars, and very few spectators, so we decided to take a nap as we were very tired. We looked at the schedule in the station. A man with a week's worth of gray beard who had not had a bath for a long time stood next to us studying train arrival times. He was carrying a small bundle. We went to the second floor where it was warmer and sat down on a bench.

From our conversation we learned that he was going home to Voronezh. That was on our way for the time being. He had worked there as a crop farming brigade leader and then his wife had died. And, as frequently happens, the man fell on hard times and started roaming around the country. He had worked all his life as a tractor driver. Out of loneliness last year he took in a tramp.

"He lived with me for a half year, we ate from the same plate, but the son of a bitch deceived me," the man sighed. "He set me up to go to Altay to join a brigade of tractor operators. He promised mountains of gold. Fool that I am, I dropped everything and went. But when we got there he said: Wait just a minute, I will be right back. I waited for an hour, then another hour, but he had just taken off."

Now he was without money and trying to hitch a ride on the rails. He was not allowed on the train, you have to pay to get into the train station in Novosibirsk; he sat down on the bundle, but no—on your feet, old man! The militia made him stand up, you cannot sit on the floor.

"When you were in Novosibirsk, did you go to the emergency social aid center, where they will give you money and food, at 19 Sverdlov Street?"

"I was there on Sverdlov, I could barely find it. I had not eaten for three days, and they did not help me at all..."

...In the evening the trains pull in, but an order had been given not to take anyone. The guard and militia train brigades go through and check to make sure that no bums are on board. In the morning there will be an electric commuter train headed for Omsk. We will get there somehow—train hopping. A hungry night without water lies ahead....

#### **Is It Possible To Live in Chelyabinsk?**

After crossing the Siberian expanses we arrived in the capital of the Southern Urals—the city of Chelyabinsk. We had "heart-to-heart" conversations with the local residents and visited the oblast committee on ecology.

The first words we heard in response to a request to see the reports on the work of the ecology committee were:

"Our oblast is off-limits. Therefore we cannot show you the figures from the readings. There are newspapers for that and all the data are published there, go read them..."

We did not try to clarify why figures published in newspapers could not be shown in the office. In general terms, V.S. Smorodintsev, deputy chairman of the committee, characterized the situation in the oblast for us as follows: The Southern Urals area has been declared an ecological disaster zone. In 1957 there was a radiation discharge (or more precisely: a nuclear explosion at a warehouse for radioactive wastes) at the Mayak Plant.

As we learned from the local residents, it was at this plant that Kurchatov made his bomb, and the plant had

been built by Beriya on Stalin's personal orders. And then four years after the generalissimo's death his mustached shadow covered Chelyabinsk, Sverdlovsk, and Kurgan Oblasts with a radioactive cloud.

Now the situation has stabilized in the Mayak area. The plutonium reactors have been shut down and readings are normal. But the Techa river and VURS (Eastern Urals Radiation Trace) will be dangerous for another 300 years. This is really enough to last for our age—and for our children and our grandchildren! The area has been surrounded by barbed wire, and taking in water, swimming, and grazing livestock have been prohibited.

Then the electric locomotive engineer told us that not all of the villages next to the Techa river had been evacuated, and the remaining residents were forced to use the "gifts of the river" as usual—the cows drink there, people walk there, children swim, people wash clothes and they fish. To be sure, they cut the fish's head off in the belief that in fish most of the radiation is in the head because it digs into the radioactive sand, and the rest—goes into the soup! There is a joke from the area of black humor about the local fish soup: Three fishermen were cooking fish soup on the Techa river, they were eating the soup with their vodka. Two of them drank the vodka, but one of them did not drink any, and died. (As we know, alcohol helps eliminate certain radionuclides.)

The plant's reactors were shut down, but in the settling tanks were 300 million cubic meters of radioactive water. And what if the dam were to break? It would be worse than Chernobyl. But the most terrifying thing is the zone of the plant. One recalls the Strugatskiy brothers' "Stalker." True, there was no radiation in the "zone" in the novel, but in the sanitary exclusion zone of Mayak there are more than 500,000 tonnes of radioactive waste. Now they have begun to "bake" it into glass, to weld it shut in steel containers and pour concrete over it. The danger has diminished.

Besides, we learned from newspapers in Novosibirsk about 100 tonnes of some kind of waste that were delivered to Chelyabinsk from abroad. It costs a lot to destroy waste there, and here it is almost free of charge, one-third of the cost, and so the waste is brought here. It turned out that the waste arrived in Russia in the form of...humanitarian assistance for deaf mutes! This is what happened. One resourceful trading company got word of some yarn waste—synthetic fiber, dust, short thread, down, and other filth from which even the thrifty Germans could not extract anything else—accumulating at a certain enterprise in Germany. Having collected Deutsche marks from the Germans for disposing of their waste, the crafty traders arranged for free delivery of the yarn waste to two cooperatives of deaf mutes in Orekhovo-Zuyevo and Chelyabinsk. They said that the deaf mutes could produce filaments and sweaters, without the need to pay for raw materials! They would buy Snickers bars and Barbie dolls for their children. The deaf mutes rejoiced; they received railcar-loads of such filth that even ropes could not be woven of it—even if

one really wanted to hang oneself. In Orekhovo-Zuyevo they tried to burn this "cotton wool." However, it burns poorly, stinks, and gives off harmful gases into the bargain. It is now hard to figure out where to dump the "presents."

#### Panikovskiy Was Right!

Anatoliy Nikolayevich! We tried to send information by fax: There are hardly any newspapers, and no faxes. We decided to write letters after all, following Father Fedor's example.

In Ufa the Bashkir mistook Aleksandr Salostiy for an insane mullah who had abandoned his mosque to work electric commuter trains. They yelled at him: Go to work, go back to your mosque!

We were travelling to the Volga area, to the parts M.S. Panikovskiy rejected when the country was being carved up into the protectorates of Lieutenant Shmidt's children. Panikovskiy was right! Money is extremely scarce, and the people are drunk.

There were no electric commuter trains. We traveled in a large-compartment car across the Ukrainian border at night. There was a drunken brawl in the car which ended with a bottle of vodka being smashed on someone's head. Gypsies stole our sugar and bread. At night, customs officers came and inspected the luggage. An accordion and an immersion heater were extracted. Everything was thrown back in. That was the end of the inspection.

In Kharkov we did not have Ukrabucks. The rate was 20-22 karbovantsy to one ruble. Prices went into tens and hundreds of thousands of karbovantsy.

We began experiment No. 2. We traveled across Ukraine without money; we made Ukrabucks—stacks upon stacks of scrap paper, mounds of money! Ukrabucks are a distinguished currency (that is, distinguished from the others). The response to our shows was excellent, the applause was thunderous, far merrier than in Russia.

Finally we arrived in Odessa. We were there on 30 and 31 March and 1 and 2 April. There is no humor in Odessa. The Festival of Humor was canceled. A ticket to a Zhvanetskiy show cost 500,000 karbovantsy (for comparison: The salary of an Odessa journalist from the newspaper PORTO-FRANKO was 300,000 karbovantsy). The Festival of Humor occurred in the form of the drunken loafing of costumed citizens of Odessa along Deribasovskaya Street. They stole wallets and put a pioneer tie on the Duke. Following the "Festival of Humor," Salostiy went for a historic swim in the Black Sea, upon finding a relatively clean spot. In general the shore is stained with fuel oil; there is trash, dirt, and dumps. The decaying architectural monuments were all that remained of the erstwhile fame of Odessa....

We were late! We were traveling the route of Venedikt Yereofeyev, Moscow-Petushki. Just like in the book, the people in the car were drunk. In Petushki everybody was

drunk, even the militia! We headed for Nizhniy Novgorod to take part in the conference of the Social-Ecological Union.

...To the sound of loud and prolonged applause, our association, Siberian Bums for Ecology and Survival, was admitted to the Social-Ecological Union.

Our future route: We will go to an accordion plant in Shuya.

### **Chelyabinsk Tax Officials Review Work for 1993**

*944f0594B Chelyabinsk CHELYABINSKIY RABOCHIY in Russian 31 Mar 94 p 2*

[Article by Yu. Nikitin: "How the Budget Was Replenished: Oblast Tax Inspectorate Collegium Summarizes 1993 Work"]

[Text] Today, one can hear from everywhere: "The budget is bursting at the seams." There is no money to pay teachers and workers in higher schools and health services, culture, sports, the militia, and fire fighting. Indeed, where is it to be gotten, when there is a sharp slump in the economy, industrial enterprises are on the brink of closing down, and there is massive unemployment? Under these complicated conditions, the fate of the budget depends to a great degree on the successful organization of the work of tax organs and the completeness of the adoption by them of all of the measures stipulated in legislation for the receipt of payments.

M.I. Chemodurov, chief of state tax inspection for Chelyabinsk Oblast and second rank state tax service adviser, noted that inflation processes had an influence on the growth of tax revenues in 1993. Simultaneously, the influence of factors grew that restrained an increase in budgetary incomes, in particular, the growing payment-financial crisis. According to estimated data, about R317 billion have accumulated in produced but unsold products. The drop in the volume of production, temporary stoppage, and sometimes the full closing of production determined the budgetary losses for another R260 billion.

The lack of tough incentives that prompt enterprises to manage effectively and unpredictable changes in the formation of prices result in increasing growth rates in product cost with respect to sales volume and, as a consequence, profit level is lowered. This is about another R50 billion.

Besides narrowing the tax formation base, the financial crisis is causing high growth in defaults. According to the status on 1 January 1994, overall it exceeded R70 billion in the oblast, which is almost 40 times more than a year earlier.

The situation at the beginning of this year has gotten even worse. As a result of the growth in mutual indebtedness of enterprises (about R2 trillion), and the expansion of the practice of mutual offsets between them, the

nonpayments to the budget increased sharply, and on 1 February 1994, R95 billion of taxes on profits, value added, and resource payments were in arrears. This exceeds the January sum of revenues for calculated taxes by almost nine percent, and the gap in Magnitogorsk amounts to a factor of 3.2....

Nevertheless, last year the oblast tax organs transferred R1.23 trillion to the budget and off-budget funds, which is 7.6 times more than a year ago, and R751 billion were collected for the needs of the oblast. The indicator in comparison with other oblasts of Russia is rather high. One documentary check conducted by the inspectorate on the average gives more than R5.5 billion of additional income. The most effective were the checks in Zlatoust where at one time R23.3 million more was added, and in Kopeysk and Trekhgornyy (former Zlatoust-36), about R13.5 million. Rural tax inspectors in a check declared more than R6 million additional in Agapovskiy and Argayashskiy Rayons.

One of the reserves for the replenishment of the budget is the tax on persons who are engaged in entrepreneurial activity without the formation of a legal entity. Last year, their number grew by factor of 2.2, and it was in excess of 29,000 persons. It will not be an exaggeration to say that entrepreneurs are not the most law abiding payers. For violation of tax legislation, 3,600 persons were made answerable, and the sum of fines amounted to R43 million. An analysis of the results of raids conducted at mini-markets and places of unmanaged trade shows that only three to four persons out of 10 register as entrepreneurs.

All of this requires a definite reorientation in the work of the service. The first experience of the oblast inspection indicates that the creation of a specialized group of workers who follow the activity of entrepreneurs could give a high return. In the second half of last year, the activity of 40 young businessmen was checked by a sector numbering only four persons, as a result of which R11.7 million more was added to the budget. Counter checks of another 22 enterprises added another R16 million to the budget. All told in the oblast, according to the results of joint actions with the Administration of Internal Affairs and the Procuracy, 250 enterprises were checked, which brought more than a half billion rubles of income.

Every ninth ruble of revenues, or about R124 billion, was the share of the tax from physical persons. Under conditions when each citizen can work in several places, enterprises and organizations frequently forget to submit information on incomes paid to physical persons who are not permanent employees. Only in 3,000 of the 7,800 who were checked was the person within the field of vision of the tax inspectors. The mass of our citizens has not gotten into the habit of declaring incomes.

Monitoring the implementation of the Law on Monitoring Control Cash Registers (KKM) in Conducting Monetary Calculations With the Population brought in

more than a billion rubles in additional payments in several months of last year. According to the law, since 1 March 1994, KKM were supposed to be in all trade points of the oblast center, and, starting on 1 January 1995, in the entire oblast. Meanwhile, the naked eye can see that the stalls and kiosks and even the large stores in Chelyabinsk conduct monetary operations with the people in cash, while not using the cash registers.

However, how is it possible to complain about the ordinary taxpayer, if the workers of inspectorates themselves do not succeed in understanding the numerous changes, refined points of the edicts of the president, instructions, and other documents of the government? The collegium appealed once again to the managers of the central organs with a proposal to simplify the system of taxation, to make it stable, easy to understand, and efficient, and one that promotes the development of production.

#### **Ilyumzhinov on Motivation for Recent Initiative**

94F0594C Moscow *OBSHCHAYA GAZETA* in Russian  
No 14, 8 Apr 94 p 9

[Interview with Kirsan Ilyumzhinov, president of the Republic of Kalmykia, by Yelena Dikun; place and date not given: "Initiative; Ilyumzhinov Is on Top Once Again"]

**[Text] On Tuesday the Kalmykia Constitutional Assembly supported the initiative of Kirsan Ilyumzhinov, republic president, who replaced the present constitution of Kalmykia with a "great steppe code." The "code" recognizes the indissolubility of the relations of Kalmyks with Russia, the impossibility of the republic's secession from the Federation, and a single citizenship of the Russian Federation; that is, it disavows the previously claimed state sovereignty of the republic. What compelled Ilyumzhinov to surrender to Moscow the dearest gain of the former Soviet autonomies?**

[Ilyumzhinov] I did not surrender any kind of sovereignty. In fact, we did have semisovereignty, a condition in which it is impossible to stay very long. It is equivalent to being half pregnant or half hanged. There are only two solutions here: either full independence, separation from Russia in the Chechen or Tatar variant, or the opposite, unification. After analyzing the situation, I preferred the second scenario, because under conditions when everything is falling apart, we will not extricate ourselves by ourselves. For the sake of preserving Russia, and its unity and indivisibility, we are taking a step not away from the center, but toward the center.

[Dikun] It is being said that the laurels of "gatherer of Russia" are enticing you...

[Ilyumzhinov] I have no such ambitious designs—to go down in history. This is a course that is dictated by life itself... I am frequently asked, why did you go with a white flag to the White House during the days of the October events? Was it really in order to save Rutskoy's

little suitcases, or to resolve some of my own affairs? I behaved then not as the president or a politician, but as an honest man: When two brothers are fighting, it is necessary first of all to stop the bloodshed. And my behavior today, once again, is not a political act, but the step of a normal manager who should call things by their names. Many run to the Kremlin now, and they swear: They say, we are with you, we are for a "united and indivisible" Russia, but, as a matter of fact, they are breaking away from it. But I declare openly that we cannot live outside of Russia.

As for the rumors that allegedly I intend to reduce Kalmykia to the rank of a province, they have nothing in common with reality. I emphasize, I am not changing the state structure; on the contrary, this would denote an encroachment on the Russian Constitution. As before, Kalmykia will remain a republic with all of the pertinent attributes, with its own president and its own national khural [parliament].

[Dikun] You, evidently, know that there is also another version that explains your behavior. The MVD [Ministry of Internal Affairs] and the FCS [Federal Counterintelligence Service] allegedly have compromising material on you that they did not circulate as long as you were loyal to the Kremlin, but all it would take would be for you to desert to the side of the opposition, for them to threaten you: Either sacrifice sovereignty, or we will institute a criminal case.

[Ilyumzhinov] I am completely fed up with all of this talk about the shady origin of my capital. The appropriate services checked me out numerous times, when I was running for national deputy of Russia, and when I ran for president—and nothing was found. And think about it yourself, how can the Kremlin pressure a republic! This is unrealistic, and even not in the interests of the Kremlin. Incidentally, even after the October events, I did not sense any kind of pressure on me on the part of Moscow.

[Dikun] Do you want to say that the attitude of the Moscow authorities toward you has not changed even a little since October?

[Ilyumzhinov] Not entirely so. Previously in the Kremlin, I was, as the saying goes, on a white horse. And even the first person who eliminated Soviet authority! But after the October events, a certain coolness emerged in relations, and misunderstanding: They said, Kirsan betrayed us, deserted us. But, after all, I never belonged to anyone's team, I always made my own policy, that which I consider necessary for my own people.

[Dikun] Meanwhile, many interpreted your latest initiative as national betrayal. The opposition, with which you assured you are completely finished, has once again raised its head. A committee for the protection of the constitution and the state was organized, and it is demanding from you that you reject your intentions.

[Ilyumzhinov] In fact, there is no opposition, it is simply a handful of people who always come out against everything. In the main, these are former communists and ex-deputies of the dissolved parliament who want to get into power at any price. The so-called parties and movements are not registered anywhere, just like the committee that they organized. I met with its representatives at one time, and I understood that it was a futile matter. They only want to kick up a row.

We took a public opinion poll that showed that 74 percent of the population supports my initiative, 61 percent of the Kalmyks are "for." For the most part, it does not matter to the people—Russians, Kalmyks, Tatars, Jews—under what constitution and under what citizenship they live. The main thing is that they have a good wage and filled stores.

[Dikun] Thus, perhaps, this explains everything? Inasmuch as the transition from socialism to capitalism is proceeding in the republic with a squeak, do you expect to exchange sovereignty for Moscow subsidies?

[Ilyumzhinov] If it was a question of money, I would not undertake all of this. When primary emphasis is placed on mercantile interest, this does not lead to anything good.

[Dikun] It is known that your colleague presidents have interpreted your step, to put it mildly, without particular enthusiasm.

[Ilyumzhinov] Actually, they treated it with caution. Some of the regional leaders even began to say that I betrayed someone and something. I considered myself one of the leaders of the regional movement, and I came out with the initiative to establish a Council of Components of the Russian Federation. Moreover, I was elected its cochairman. And I was treated accordingly. But, after all, I remained the very same "regional supporter," and I think that Russia is not restricted to the walls of the White House and the red Kremlin.

I will not hide the fact that I was even happy, when I heard on television the statement of the Russian Federation president's press service of his negative evaluation of my initiative. This somehow rehabilitated me in the eyes of colleagues. And they indeed began to call me up from the republics: They said, we thought that you were playing some kind of a clever game behind our backs with Yeltsin, but you, it turns out, are not welcome there.

The other day, I was in the Kremlin, and I talked for a very long time with Vyacheslav Kostikov, the president's press secretary. It became clear that I was not understood quite correctly there, and they decided that I, in a unilateral order, without discussions with Moscow, decided "to abolish the republic." But inasmuch as, I repeat, we do not intend to "abolish" the republic, then the Kremlin also has no complaints against me.

### Taganrog Moves To Establish Free Economic Zone

944F0603A Moscow *IZVESTIYA* in Russian 19 Apr 94 p 4

[Article by Yuriy Bespalov (Rostov Oblast): "Taganrog Will Be Russia's Main Maritime Portal to the South"]

[Text] Contrary to the forecasts of many skeptics and in spite of the absence of a legislative base and other difficulties, the city of Taganrog is methodically and persistently laying the foundation for a free economic zone.

The idea was conceived and took shape two or three years ago. Its main advocate, Mayor Sergey Shilo, and his associates insist that Taganrog's geopolitical position is certain to give it new roles to play. The former southern ports of the USSR—Ilyichevsk, Odessa, Nikolayev, Sevastopol, and Kerch—are now part of Ukraine, and Russia's remaining ports of Tuapse and Novorossiysk are overloaded beyond measure.

Officials in Taganrog studied the experience of existing free economic zones in different countries—from the United States to China. An English firm ordered an investigation of the possibility of establishing a free economic zone in Taganrog. A year later the idea had taken the form of a package of solid proposals and projects. The concept of a free economic zone in Taganrog won the approval of the higher economic council of the Russian Supreme Soviet Presidium. It appeared that it would also acquire legal status at any time.

Regrettably, that time never came. There is still no law on free economic zones, and the zone's promoters in Taganrog do not have enough influence to "score" the status of a free economic zone by means of a presidential edict. Furthermore, they are not that eager to start any intrigues or to rely only on one top-level signature.

"In the final analysis," Sergey Shilo said, "the free economic zone is not our final goal, but only the direction we have to take for the maximum use of all of Taganrog's advantages and potential for the good of its inhabitants and all of Russia."

That is why Taganrog officials decided to begin laying the foundation for the future zone piece by piece.

Are there any signs of the imposing future changes today? Fifteen ships from distant foreign lands are being unloaded in the port at this time. Just recently, however, Taganrog was chock-full of defense enterprises and was off limits to foreigners. Two military runways have been converted for civilian use. Soon regular flights to St. Petersburg, Bulgaria, and Turkey will be added to the Moscow run. These were the first steps that were taken by the joint-stock company that hopes to build an international airport in Taganrog. The construction of a new business center has begun in the old part of the city. There will be at least five such centers, with hotels, restaurants, convention halls, banking establishments,

and everything necessary for business contacts and the work of businessmen, in the Taganrog free economic zone.

And what about the new port? This key element of the plans for the free economic zone has aroused the interest of many local enterprises and firms. It is not surprising that several competing groups have come up with completely different project plans.

They say that competition generates progress, but I am afraid that the competition between different groups over the port will hold up the project. In any case, the exact location of the new port (or system of ports, according to one plan) is still unknown. Furthermore, investments are also lacking. After all, the English firm which was given a chance to design and build the new port in Taganrog estimates that it will cost around 4 billion dollars and take at least eight years. Obviously, investors need complete certainty and confidence before they can consider investing such large amounts for such a long period of time.

And will these investors even materialize, in view of the fact that the status of a free economic zone for Taganrog is still indefinite? Mikhail Ionov, the chairman of the municipal administration's committee for the development of long-range planning and foreign economic contacts, promises that they will. Major Russian exporters have expressed an interest in the city, and so have the states of the Transcaucasus and Central Asia, which see the Taganrog transport hub as a means of access to Europe and to large Western firms. Of course, the legal status of a free economic zone would do much to accelerate the attraction of big capital to Taganrog.

Everyone in Taganrog has heard about the free economic zone and, predictably, few understand the implications of the attainment of this goal for the city and its population. Nevertheless, the skeptical wisecracks about the project are giving way to sincere interest. In any case, provincial Taganrog has never been as close to realizing the dream of its founder, Peter I, who wanted it to be Russia's main maritime portal to the south.

### Mordvinia Decides To Revive Soviet Power

944F0603B Moscow *IZVESTIYA* in Russian 19 Apr 94 p 1

[Article by Aleksandr Kislov (Republic of Mordvinia): "People in Moscow Are Talking About the New Russia, but People in Mordvinia Are Restoring the Soviet Regime"]

[Text] The Presidium of the Mordvinian Supreme Soviet has decided to revive Soviet power in its cities and rayons. A provisional statute on so-called local deputy conventions has been approved. These conventions, consisting of at least 25 former people's deputies, have been endowed with the same powers as the local soviets that were abolished by Presidential Edict No 1617. Now we can expect the Republic of Mordvinia to become part of the "red belt" around Moscow.

The republic Supreme Soviet, which survived the events of last October, used its prerogative to frame the republic constitution to acquire unprecedented power and to strike a blow at President Yeltsin's edict. Incidentally, this is not the first time the Mordvinian members of parliament, headed by Nikolay Biryukov, have thumbed their noses at the federal government. The readers of *IZVESTIYA* will recall when the Supreme Soviet abolished the office of republic president, rescinding the will of the people, who had elected democrat Vasiliy Guslyannikov to this office. After some minor altercations with the obstinate Mordvinian people's deputies, the Yeltsin administration "gave up" Guslyannikov and thereby encouraged Biryukov to continue his audacious behavior.

One of the ideologists of neo-Sovietism, Professor Viktor Veshnyakov, who is now a State Duma deputy representing Zhirinovskiy's party, declared during a recent visit to Mordvinia that the representative branch of government in the republic should be the supreme and sole authority. This idea was echoed in different keys by Sergey Baburin and Vladimir Isakov, who also visited Mordvinia at the height of the Soviet's confrontation with the local and federal presidents. To be fair, we have to admit that many government officials representing the president also came to Saransk. There was the recent landing party, for example, at the time of the turbulent Supreme Soviet session deciding the future structure of the republic government. Saransk was then visited by Sergey Filatov, the president's administration chief, and Yuriy Yarov, deputy chairman of the government. Understandably, they did not approve of the Supreme Soviet's claims to supremacy, justifiably citing the federal constitution. They promised the tormented government of Valeriy Shvetsov, the fourth of this convocation, that Moscow officials would take political action in the event of undesirable developments.

Regrettably, the winter session of the Supreme Soviet wiped out the powers of the executive branch, subordinating it completely to the representative branch and burying all hope of restoring the status quo of the Russian Constitution by parliamentary means. There was no reaction from Moscow, although Article 72 of the federal Basic Law stipulates that one of the areas under the joint jurisdiction of the Russian Federation and its members is the "establishment of common principles of the organization of government agencies and local self-rule."

Now the Mordvinian members of parliament have gone even further. A day before the deadline for the registration of candidates for the State Assembly that was supposed to replace the Supreme Soviet, they suddenly cancelled the election scheduled for 5 June and rescheduled it for 27 November. They also issued a resolution which effectively restored the Soviet regime throughout the republic. All that was left was the trivial act of raising the red flag over the Palace of Soviets.

The Council of Ministers is still resisting, but these forces are clearly unequal. The republic Constitutional

Court could have acted as the arbiter, but it was abolished by the Supreme Soviet a couple of months ago for its autonomous behavior. According to Shvetsov and Valentin Konakov, the president's representative in the republic, it is time for the federal government to finally keep its promise. Otherwise, the "red noose" around Moscow will be pulled even tighter.

**'South Ural' Movement Founded, States Aims**

944F0622A Chelyabinsk CHELYABINSKIY RABOCHIY  
in Russian 22 Mar 94 p 2

[Article by Ye. Frantseva under the heading "Politics": "New Movement Presses for Urals Revitalization"]

[Text] No members of the media were invited to the charter meeting of a social movement called "South Ural" [Yuzhny Ural]. However, the media were invited to the second meeting, held this past Saturday. In the intervening period the movement changed its name from a neutral one to one that is clearly more politicized: "For Revitalization of the Urals" [Za vozrozhdeniy Urala]. And even though in the program adopted at the first meeting and in all the movement's program points distributed to journalists at the second meeting the movement is always referred to as a social movement, nevertheless P. Sumin, its leader, and other speakers referred to it as both social and political. That appears to be closer to the truth.

Movement activists gave a political assessment of the reasons for the current situation in the oblast: "overly ambitious policies by the executive branch in the oblast center and locally that give little consideration to consequences...," "the authorities have little control over the situation at the local level and are not complying with laws, edicts and decrees..."

Among the objectives announced were opposition to any attempts to restrict the power of the people, support for domestic producers, efforts to increase the oblast's economic and administrative independence, and social justice.

Also presented at the meeting were the members of the movement's council, who fairly eloquently characterize this new association, which has aspirations of becoming a mass movement. In addition to P. Sumin, the head of the council, the other members will be: V. Utkin, State Duma deputy; jurist A. Salomatkin, former oblast soviet deputy chairman; D. Peters, former chief of Bredinskiy Rayon Administration; Professor V. Belkin, doctor of economic sciences; Professor G. Khashimov, dean of the Chelyabinsk State University Law Department; leaders of oblast communist organizations and the Working Chelyabinsk [Trudovoy Chelyabinsk] movement—V. Buravlev, P. Svechnikov, V. Skachinskiy, V. Usanov and Yu. Kholshchigin—and others.

At this meeting the leaders preferred not to discuss the movement's actual activities, which will soon be tied in with the election campaign, merely informing their supporters of the address and phone number of their headquarters and

directing them to contact it for information. For the next meeting there are plans to present a list of candidates both for the Federation Council and the oblast Duma who will have the new movement's support.

**Yekaterinburg Law Enforcement Agencies on Crime Statistics**

944F0622B Yekaterinburg URALSKIY RABOCHIY  
in Russian 22 Mar 94 p 2

[Article by L. Filipovich, reporting from Yekaterinburg under the heading "Meetings": "They Take Away One Life After Another"]

[Text] The number of murders in the oblast has increased by a factor of more than 2.5 over the past five years, and in Yekaterinburg there has been a threefold increase. This was discussed at a meeting of oblast law enforcement agencies.

In 1992 the oblast reported 898 homicides (an increase of 54.6 percent over the previous year). In 1993 there were 1,097 homicides in the oblast, 319 of them in Yekaterinburg. In the oblast capital more than 30 murders were committed with firearms (rifles and sawed-off shotguns), and in 61 cases the perpetrators attempted to conceal their actions by dismembering and concealing the bodies. The circumstances under which more than 20 murders occurred indicate that they were contract killings, i.e. carried out by professionals.

The oblast's murder conviction rate is on a par with the Russia-wide average, but in 1992 there were 160 unsolved murders, and 248 last year. Analysis and investigative practices connected with these personal crimes, the most serious and most threatening to society, were the focus of attention at a joint meeting of law enforcement agencies held at the oblast procuracy. Those attending included Ivan Ovcharuk, oblast court chairman, Vladislav Tuykov, oblast procurator, Vladimir Demin, head of the oblast Internal Affairs Administration, and Gennadiy Voronov, head of the oblast branch of the Federal Counterintelligence Service.

The personnel issue seems to be particularly acute. There is constant turnover among investigators, with the professional core eroding away. Currently, of the 153 investigators working for the procuracy one in three has been on the job less than a year. The situation is no better among personnel in the oblast's criminal investigation division, either; there 45 percent of personnel have no training for the job they are doing. Meanwhile, the operational situation over the past two months of this year has been a difficult one, with 190 reported murder cases, or 20 more than in the same period last year.

All these conclusions convincingly attest to the need to establish specialized units to investigate murder cases, and the government of the Russian Federation should adopt decisions toward that end.

**Central Urals Residents Polled on Political Issues**  
944F0622C Yekaterinburg *URALSKIY RABOCHIY*  
in Russian 16 Mar 94 p 2

[Article by B. Berzin, chairman of the Sverdlovsk Oblast Government Committee for Relations with Public Organizations and the Study of Public Opinion: "Poll: Which Way Will the Voters Lean?"]

[Text] On 3-5 February the oblast government's Committee for Relations with Public Organizations and the Study of Public Opinion conducted an express poll of voters. The objective was to reveal changes in the correlation of political forces that have occurred since elections to the Russian Federation Federal Assembly and to examine the overall situation in nine population centers in the Central Urals. Participating in the poll were 904 people, selected to be representative in terms of sex, age, educational level, social status, type of urban area and geographical location. The poll's margin for error is three percent.

For the past five years the public's social and psychological feelings and attitudes toward the changes taking place have been conducted on a regular basis. During that period there has been a drop in the number of people who are confirmed supporters of radical economic reforms. Whereas in 1991 50 percent of those surveyed supported such reforms, 27 percent were convinced of the need for partial changes and only nine percent deemed it possible to leave things as they were, in 1992, just three months after the start of reforms, 19 percent of respondents said that new opportunities were opening up for them, while 28 percent were ready to go back to the way things were before.

As of February 1994 the situation has to a certainly extent stabilized for the time being, with a substantial number of people—44 percent—of the opinion that although they personally have not gotten anything out of the reforms, they are in fact essential to Russia. However, in comparison to 1992 there has been a decrease by a factor of three in the number of respondents who feel that new opportunities have opened up to them as a result of the economic changes, currently at six percent. Today 33 percent feel that it would have been better not to undertake reforms.

The adolescent type of emotional reactions so typical of the mass mentality of Russia's people is also evidenced in the correlation of political forces prior to elections to the oblast duma and local governmental bodies. There has been an increase in the number of voters who are willing as a sign of protest (or perhaps in order to draw attention to their needs) to vote for political parties and movements opposed to the president and the government of the Russian Federation.

Survey data indicate that for many people that protest is a subconscious reaction to the events occurring in their lives and does not indicate an increase in the number of confirmed opponents of radical economic reform in our

oblast. On the other hand, it is precisely at the level of the common, mass mentality that the prerequisites for the creation of a social base for emerging parties and social movements are created.

According to the survey data, prior to the start of the active electoral campaign the public's pre-election sentiments are as follows.

Of those surveyed, 25 percent are prepared to vote in the upcoming elections for parties that favor radical economic change (Russia's Choice, Democratic Russia, the RDDR, etc.). In the December 1993 elections those groups won 23 percent of the vote.

There are 23 percent prepared to support opposition forces, which received 10 percent of the vote in the last election. This includes the LDPR—Zhirinovskiy's party—with the support of 10 percent of voters (formerly 7.6 percent), parties of a communist or socialist orientation, with 10 percent (formerly 2.5 percent) and the patriotic and nationalist movements, with three percent.

This is the first time in recent years that an increase in the popularity of communists and socialists has been observed, and though it may be only relative (recall that according to poll results in October-November 1993 similar rates of increasing popularity held true for Zhirinovskiy's party as well) this could indicate emerging trends in the mass consciousness of people in Sverdlovsk Oblast.

Of those surveyed, 22 percent are thinking about voting for parties that hold centrist positions, parties which got nine percent of the vote in the December elections. The increase in this bloc's popularity is primarily due to the fact that our survey included among this group Transformation of the Urals [Preobrazheniye Urala], which is headed by E. Rossel, and it received the support of a majority of those surveyed.

A significant portion of those surveyed—19 percent—are planning to vote for independent candidates.

Another 13 percent remain undecided.

Generally speaking, it is clear that the position of Russia's Choice is strongest in large cities, with the opposition and centrist parties having the most supporters in medium-sized and small cities and in rural areas.

The voter turnout problem remains serious. Since 1990 voter participation has been decreasing by an average of 10-15 percent in the interval between each election. Survey data indicate that this past trend will continue, with only one in two of those surveyed expressing a desire to go to the polls.

As in the past, voters in rural areas are more active. By way of comparison, on 12 December 46 percent of voters in Yekaterinburg went to the polls, while 61 percent did so in rural areas. Considering this, and also taking into account a likely drop in voter turnout among the residents of large cities, the position of those living on the

outskirts of the oblast, in those areas where the standing of those critical of the government is better, will be a significant factor in the outcome of this election.

The poll also examined residents' attitude toward the local administration, with 48 percent saying that life in their city or rayon is largely defined by the personality of the individual who heads the local administration, with that individual's effectiveness hampered by the following factors: lack of physical resources, lack of budget funding, lack of a clear-cut program of action and insufficient knowledge of the public's interests. Other reasons cited less frequently: a low level of professionalism among those working in the apparatus, and a lack of respect for the administration chief. Only one person in 20 was satisfied with the local administration's actions.

The least respect for administrators was found in large cities (Yekaterinburg and Nizhniy Tagil). In rural areas and small cities the public is more loyal to local administration chiefs.

Summing up the findings of this latest express poll, one should note the increasing alarm of the public in outlying areas, trends toward change in the system of political and social orientations, and greater social tension among those working in agriculture, machine building and mining.

#### **Sverdlovsk Oblast Views Fight Against Economic Crime**

944F0623A Yekaterinburg URALSKIY RABOCHIY  
in Russian 15 Mar 94 p 2

[Article by O. Vlasov under the heading "Law and Order": "Criminal Economy: Society's Well-Being Is Not Just Up to the Department of Economic Crime"]

[Text] The fact that economic crimes are constantly increasing is clear for all to see. For example, last year the oblast reported an increase by a factor of 2.5 in violations of regulations governing currency transactions in comparison to the previous year, a 33.3 percent increase in bribery cases and a 4.1 percent increase particularly large-scale embezzlement... Personnel with the oblast Internal Affairs Administration's Department of Economic Crime [OBEPI] calculate total losses from economic crimes last year at R483.9 million [rubles]. Furthermore, according to studies conducted by the All-Russian Ministry of Internal Affairs Scientific Research Institute, internal affairs agencies only uncover one economic crime in five. The rest, like the bulk of an iceberg, remain hidden.

Incidentally, even the cases that have come to light thanks to the efforts of law enforcement agencies give one something to think about. A tremendous number of crimes are being committed in connection with foreign economic activity, privatization and the lending and financial system. It is these that we will address

#### **Goods Are Leaving the Oblast, but Where Is the Money From Abroad?**

Were you aware, dear reader, that our oblast has more than 1,500 entities engaged in foreign economic activity? Among these are 327 industrial enterprises, 62 companies established jointly with foreign partners, and 530 joint-stock companies of various types. As is traditional for Mother Russia, accustomed to trading in her most vital riches, 93.6 percent of exports from Sverdlovsk Oblast consist of raw materials and other materials (we will come back later to the question of where they originate). Machinery and equipment account for only 3.6 percent of total exports, and services comprise 1.8 percent. Consumer goods account for 0.1 percent or, to put it more simply, one one-thousandth of total exports.

The most interesting thing is that the oblast does not receive the proceeds from this newly-emerged business of supplying foreign countries with everything they need. Odd, is it not? But judge for yourself: with foreign exports worth a total amount of R274.5 billion (the equivalent of roughly \$429 million) the Central Urals received foreign products worth R36.5 billion (\$57 million), or just 13.3 percent of what left the oblast.

And if you think that instead of products we are getting money—the "greenbacks" that attract such universal attention in the Russian market—then you will be sadly disappointed. Business people are depositing their funds with foreign banks, in violation of current licensing procedure.

Inspections carried out by the service assigned to combat economic crimes uncovered a massive number of violations.

For example, law enforcement agencies have determined that special export enterprises, taking advantage of the lack of a clear-cut oversight system, are able to deal in raw materials and strategic materials under regional quotas for oblast social programs and are employing the services of middlemen to do so. Once the goods cross the border, these special exporters conveniently "forget" about their import obligations. Accumulating hard-currency funds in their accounts with foreign banks and companies, they reap additional unseen profits, and you and I wind up with no medicines, food products or other items.

A curious fact: out of the 290 joint ventures registered in Sverdlovsk Oblast that were inspected, there were 110 in which the foreign partners had not contributed a single kopeck to their authorized capital—so where is that money "circulating"?

Another very interesting fact: seven enterprises (out of 52 inspected) were found to be keeping \$111 million abroad without the appropriate license to do so, i.e. illegally. A telling detail: if it had not been for the famous agency Interpol, we would probably not have discovered these violations. Local law enforcement personnel have no hard currency for official trips abroad, so there is no investigation. I can only assume that the personnel of

renowned Interpol are not terribly interesting in looking into the tricks and dodges of Russia's *nouveau riches*, either. They have plenty of foreign affairs of their own as it is.

Our local internal affairs administration has attempted to shake loose at least a little hard currency from the Russian Ministry of Internal Affairs, but even there the financial situation is not the best at the moment. All hopes rest on the local government, especially since currency policy could be just the thing to kill two birds with one stone.

It is no secret to anyone that the gold mine of foreign economic contacts has prompted an upsurge in all forms of embezzlement. Last year 661 cases of thefts of ferrous, non-ferrous and precious metals were reported. Losses were in excess of R182 billion rubles. Every possible means is used to legitimize this illegal trade, such as forged trade and transport documents and fictitious certificates—often obtained in exchange for bribes. The crime business has expanded its scope—sometimes stolen goods are transported using military units' vehicles, including military transport aircraft. That fact seriously complicates the work of those assigned to combat economic crimes—it is impossible to inspect every military airfield or to establish customs checkpoints at every one of them...

Of course, hard currency is not the only problem, though there is no doubt that if some were available certain problems could be solved. But corrupt officials and commanders should probably be overseen by those who are above them. After all, OBEP capabilities have their limit.

#### What Is Being Privatized, and by Whom?

The privatization process is proceeding exactly according to a popular Russian proverb. "The farther into the forest you go, the more firewood you find"—remember that one? Well, the firewood—i.e. violations—are more numerous in this area than in any other "forest."

OBEP subunits have uncovered numerous cases of the currently fashionable limited-liability companies [tovarishchestva s ogranicennoy otvetstvennostyu (TOO)] being created out of state-owned enterprises. Their founders are directors and officials of higher-level organizations. In violation of privatization law, officials are transferring fixed capital and operating capital to commercial structures either free of charge or for a purely symbolic amount.

Founding agreements are being amended without proper authorization. Often state-owned enterprises' actual contribution to a TOO's authorized capital and the amount of dividends paid out are not in keeping with the figures contained in founding agreements.

Some violations would not happen at all if local authorities—city and rayon administrations—were stricter

about registering new enterprises, requiring authorization from regional state property management committees. Like the saying goes, a businessman should be watched by more than one eye...

It is precisely because of this lack of supervision by those in power that dubious capital is being laundered through the most commonplace structures. Private entrepreneurs are using dirty money to actively "work on" the heads of municipal enterprises undergoing privatization. They propose pooling funds and taking part in the auction to purchase an enterprise on behalf of its employees. It is a well-known fact that the latter have certain privileges and hence a better chance of winning.

Here is one typical example. In Nizhniy Tagil the employees decided to convert a certain consumer services combine into a TOO for privatization purposes. As it turned out, the combine's employees did not have the money to pay for its fixed capital, so therefore Citizen A., who deals in commercial transactions, was formally made part of the company. He promised to provide one-half of the amount of authorized capital required. In order to appear more convincing A. was even listed as an employee—a truck driver...

The most interesting part began after the auction, i.e. after the employee group became owner of the combine. Their benefactor was elected director of the TOO. But... pursuant to Article 30 of the "Law on Privatization" the city's Tagilstroyevskiy Rayon Procuracy is reviewing documents with a view to filing suit with a court of arbitration to have the deal declared illegal.

So he who pays the piper does not always call the tune.

#### The Mint Is Not the Only One Printing Money

A total of 545 cases of counterfeiting and other document forgeries were uncovered last year by the service that combats economic crime. If one divides that figure by the number of days in a year, it turns out that our valiant guardians of law and order are uncovering one or two counterfeiting cases every day. During the year 725 banknotes and privatization vouchers were removed from circulation, for a sum of R20 million.

Almost all these forgeries were manufactured using copying machines and other reproduction equipment and then colored. Furthermore, now that office equipment is being bought and sold without restriction and in a wide assortment it has become increasingly difficult to oversee its use. Previously, every piece of equipment had to be registered with law enforcement agencies, but now that procedure has been dropped. On the one hand, a correct decision—no one benefited from the superfluous red tape—but, on the other hand, nowadays some managers have no idea what their employees are reprinting, whether documents or currency. Some of those employees are trying their hands at producing little masterpieces worth lots of money.

OBEP personnel apprehended 36 individuals attempting to pass counterfeit money and eight counterfeiters.

A case has been filed against Citizen A., who sold eight counterfeit \$100 bills. Incidentally, that is the denomination most often counterfeited...

Moreover, some smart individuals on the street long ago realized that counterfeiting even the highest-denomination bills is too much trouble. It is much more convenient to take advantage of the imperfect accounting system to steal a million from some bank, or maybe three or four million.

Criminals have given the lending and finance industry many unpleasant surprises. However, over the course of the year 21 cases of embezzlement using forged bank documents—advices—were successfully prevented, saving a total of R6.0 billion.

Criminal charges under Article 93, footnote (particularly large-scale embezzlement), have been filed against Citizen I. This clever individual, representing himself as the commercial manager of a state-owned enterprise in Nizhniy Novgorod, presented in payment two fictitious clearinghouse checks totalling R390 million, thereby acquiring five kilograms of rare earth metal from a joint-stock company in Yekaterinburg, and then fled. The criminal was subsequently caught and arrested.

#### It Takes Two To Tango

In my opinion the picture is extremely clear—and that despite the fact that under current conditions OBEP is by no means able to uncover all violations of the law. Yet blaming law enforcement personnel for that seems somehow ridiculous. Normal operations require not only personnel but also, I repeat, money, equipment, computer programs...

Considering that the state at every level has declared over and over again that efforts to combat crime are among its most important tasks, it should also do everything it can to help those who are trying to uphold the law. But it is one thing to make nice-sounding declarations and quite another to find funding when the budget is already on the point of collapse...

Meanwhile commercial structures, often semi-criminal in nature, frequently offer their help, either directly or via the Law and Order Fund. Of course, there is a price for the money and computers that businessmen are willing to contribute: if something should happen in the future, they expect their expensive gifts to be remembered... Those hopes are far from realistic. But the situation itself is abnormal—we cannot protect the state's interests with money that does not come from the state. How our society greets tomorrow will depend on the way the militia's needs are dealt with by the Russian and oblast governments and by local authorities at all levels today.

#### Tyumen Provides for 1994 Agroindustrial Development

944F0593A Tyumen TYUMENSKAYA PRAVDA in Russian  
25 Mar 94 pp 1-2

[Article by L. Roketskiy, chief of oblast administration: "On Economic Successes in the Functioning of the Agro-industrial Complex of Tyumen Oblast in 1994"]

[Text] The socioeconomic situation in the oblast agro-industrial complex in 1993 developed under the influence of further liberalization of economic activity, a restricted financial-monetary policy, and reduction of centralized allocations.

Under these conditions the oblast administration devoted a considerable amount of attention to problems of reforming agricultural production, it directed material and financial resources to supporting rural commodity producers, and it rendered assistance in strengthening business ties with enterprises of the petroleum and gas complex.

As a result, we managed to keep the production of eggs, milk, potatoes, and vegetables at the 1992 level and in terms of a number of other indicators the rates of reduction of volumes were lower than the average for Russia.

But on the whole measures for reforming agriculture did not produce the desired results. The decline of the volumes of gross output continued, the areas planted in agricultural crops and the number of head of cattle decreased, and their productivity dropped. The process of creating farmer-run farms slowed up. Social conditions in rural areas deteriorated.

In order to create the necessary conditions for the functioning of the oblast agro-industrial complex in 1994:

1. The main tasks of the oblast administration and the administrations of the cities and rayons shall be:

further reform of the agrarian sector;

provision of stabilization of the reproduction basis, prevention of a sharp decline of production volumes, and raising of the level of marketability of agricultural products;

rendering of financial support for agriculture and the creation of economic conditions for the functioning of enterprises with all forms of ownership and the development of the social infrastructure of rural areas;

training of personnel for the agro-industrial complex capable of managing effectively in market relations.

2. The deputy chief of the oblast administration, S.A. Pak, the Administration of Agriculture and Food (V.A. Antonyuk), the Committee for Food and the Processing Industry (V.Ye. Kostomarov), the Committee on Economics and Prognostication (S.S.

Chikirev), and the Finance Committee of the oblast administration (S.N. Martynushkin), and the chiefs of the rayon administrations shall earmark and implement measures for structural rearrangement of the agro-industrial complex, the creation of a competitive environment, and the insurance of guaranteed sale of products delivered to the oblast food fund. To these ends the following shall be envisioned:

in the crop growing branch, increased production of food wheat, oil bearing and cereal crops, at the same time envisioning financial support from the oblast budget in the form of advances for producers of food wheat and grain for the production of cereal who have concluded contracts for their delivery to the oblast food fund;

incentives for producers of elite seeds of grain crops through the establishment of increments to procurement prices for their production with compensation for expenditures from budget funds for these products;

the Administration of Agriculture and Food of the oblast administration and the state association Tyumenkhleboprodukt (A.A. Kalyuzhnyy) some time before 1 April 1994 shall conclude contracts with commodity producers for the delivery of food wheat to the oblast food fund.

In the animal husbandry branch, preservation of the volumes of production of animal husbandry products and the herd of cows for reproduction through the allotment of subsidies to producers of milk, regardless of forms of ownership, with differentiation of the rates of subsidies per unit of output taking into account the level of productivity of the dairy herd;

the allotment of subsidies to producers of beef on specialized fattening farms and complexes and also producers of pork, poultry, and eggs, in order to render support to large animal husbandry complexes and poultry farms and prevent curtailment of their production since they are the main producers of these products and promoters of progressive technology in the branch and a base for further reproduction;

encouragement of the development of sheep raising on public farms through subsidizing producers of wool and creating capacities for processing leather raw material in the oblast.

In order to increase the genetic potential of the livestock, the work of breeding farms shall be stimulated through guaranteed purchase from them of highly bred young animals at contractual prices which increases their motivation to develop breeding work.

In the sphere of processing, during the time before 15 May a concept is to be drawn up for the development of the food and processing industry as well as a plan for distribution of facilities in the territorial cross section, taking into account a rational combination of large enterprises and facilities for small-scale processing and provision of raw material for them;

in conjunction with the Committee for Administration of State Property the oblast administration (G.A. Burtsev) shall develop the question of the possibility of a secondary issuance of shares in private joint-stock companies for processing milk and meat or their transformation into public joint-stock companies in order to grant additional opportunities for acquisition of a controlling block of shares by rural commodity producers under preferential conditions, and before 1 April of this year resolve issues of creating a joint-stock company out of the Tyumenkhleboprodukt Production Association, taking the interests of agricultural commodity producers into account.

In the sphere of sales in order to create a more effective commodity producing network for the sale of agricultural products and products from their processing and to create a competitive environment when they are sold, in conjunction with the Committee on Trade of the oblast administration (L.M. Anufriyeva), the Oblast Consumers Union (M.V. Yudakov), the oblast AKKOR [Association of Peasant Farms and Agricultural Cooperatives of Russia] shall prepare proposals and city administrations shall search for possibilities of allotting agricultural commodity producers trade areas and refrigeration capacities in order to organize firm trade in agricultural products and assign trade spaces in city markets:

the administration of agriculture and food and the committees for trade, food, and the processing industry of the oblast administration shall within a month's time submit proposals for creating a network of organized commercial food markets and an agricultural marketing service in the system of the agro-industrial complex.

In the sphere of investments the draft oblast budget for 1994 shall envision funds for payment in the first quarter of 1994 of indebtedness to enterprises and organizations of the agro-industrial complex for subsidies and compensations that were in effect in 1993 and also for the volumes of capital construction actually done on facilities financed from the oblast budget:

budget financing shall be envisioned for maintenance and development of facilities for social and cultural purposes and municipal services, construction of roads and bridge crossings in rural localities, gas and water supply for rural population points, and the construction of communications facilities;

in conjunction with administrations of autonomous okrugs, volumes and sources of financing shall be determined for the oblast-wide program "priority development of the agro-industrial complex";

managers of enterprises of the agro-industrial complex shall use funds released from the maintenance of objects of the social sphere and municipal services for implementing measures related to structural rearrangement of production and expansion of individual housing construction;

deputy administration chiefs S.A. Pak and Yu.B. Katalov shall make sure of complete assimilation and utilization of allotted budget funds for their intended purpose.

### In the Area of Personnel Training

The formation of a principally new concept of personnel support for the oblast agro-industrial complex under the conditions of the establishment of a market economy and the diversity of forms of ownership, which is based on integration of education, production, and science, and envisions occupational training for personnel for all levels of business and management and consolidation of the network of centers for training and retraining personnel, providing a broad spectrum of specialized educational services;

rendering of aid in the creation of a material and technical base for the Tyumen agricultural academy that is being formed on the basis of the UNPK [training scientific production complex] Tyumen Agricultural Institute in keeping with the decision of the board of the Ministry of Agriculture of Russia of 18 November 1993;

the Administration of Agriculture and Food, the Committee on Education of the oblast administration (V.G. Novikov), and the UNPK Tyumen Agricultural Institute (I.D. Komissarov) shall within two months' time prepare coordinated proposals for the creation of a consolidated system of personnel and scientific support for the oblast agro-industrial complex which unites the agricultural academy and a network of colleges and lyceums;

the agricultural administration and the UNPK Tyumen Agricultural Institute shall take measures to develop methodological support for new programs for training and retraining personnel who are specialists with high qualifications, managers of small forms of agricultural business, and heads of peasant (farmer-run) farms under the conditions of the economic reform being conducted on the basis of the UNPK Tyumen Agricultural Institute;

the agricultural administration and the committee on education of the oblast administration shall envision measures for improving training and retraining of personnel in mass occupations, middle level specialists and managers, and farmers on the basis of the oblast school for management, rural vocational and technical schools, and training combines.

3. The sector of private plots of citizens shall be regarded as one of the most dynamic and real reserves for increasing the volumes of agricultural products and the social sphere for the development of farming.

The administrations of rayons and cities shall provide for allotment of land for grazing livestock, haying, planting potatoes and vegetables, the development of collective gardening and orchard growing, and the

provision of the population with young livestock and poultry, seeds, and planting material.

The administration of agriculture and food, the committee on the food and processing industry of the oblast administration, and the rayon administrations in conjunction with the oblast consumers' union, Severpotrevsouz, and processing enterprises before 15 April shall create a system of procurements of agricultural products (milk, meat, potatoes, vegetables, etc.) produced on private plots of citizens.

4. The rayon administrations, the administration of agriculture and food of the oblast administration, and the oblast AKKOR shall render assistance to beginning farmers in obtaining credit, selling the products they produce, and creating joint ventures for processing agricultural products and providing technical and technological service.

5. The heads of rayon administrations, the Committee for Social Protection of the Population (V.K. Vorobyeb), and the Committee for Labor, Employment, and Migration of the Population of the oblast administration (Ye.A. Zalesov) shall take measures to strengthen the social protection of the rural population who have been discharged as a result of agrarian transformations and organize work for retraining personnel and creating new jobs in rural areas, including employment in the sphere of processing agricultural products, the development of subsidiary productions, the revival of handicrafts, and the gathering of wild plants and medicinal raw material.

6. The deputy chief of the administration, S.A. Pak, the Administration of Agriculture and Food, the Committee on Land Reform (A.V. Kryakhtunov), the Committee on Economics and Prognostication of the oblast administration, and the oblast Center for Agrarian Reform (M.P. Korepanov) shall step up work for deepening the agrarian reform on farms of the oblast and developing optimal scenarios for reorganizing the agrarian sector on the basis of market relations.

Preparatory work shall be done for developing normative documents regulating questions of efficient utilization of land, land improvement, and the creation of a land cadaster.

7. The oblast Committee on Statistics (S.D. Anokhin) shall take measures for more timely depiction and complete elucidation of the course of the agrarian reform and the activity of new organizational-legal forms, including reflection of the volumes of production of agricultural products, questions of employment of the rural population, and the changes in land relations.

8. Monitoring the execution of the decree shall be the responsibility of the deputy chief of the administration, S.A. Pak.

**Omsk Governor on Regional Concerns**

944K1112A Moscow ARGUMENTY I FAKTY in Russian  
No 16, Apr 94 p 12

[Interview with Leonid Polezhayev, governor of Omsk Oblast and member of the Federation Council, by unidentified correspondent; place and date not given: "There Will Be No Shocks in Siberia"]

[Text] [ARGUMENTY I FAKTY] The aphorism is that revolutions take place in capitals, civil wars—in provinces. How great is social tension now in Omsk and Siberia in general?

[Polezhayev] Even in the major regions of Siberia it has a spotty character. The sociopolitical background in Omsk is even. It is based on definite stability and a somewhat more advantageous economic situation. But how it is possible to do this is a special conversation.

Here is an example for you. Harvest campaigns always take place with difficulty in Siberia: There is snow and rain, and gathering grain from two hectares is like taking Berlin. Naturally I have opponents, and there is an opposition, which is especially well organized and united in the agrarian milieu. They are all awaiting the kind of autumn when Polezhayev finally fails. So, I calculated what forces were activated in gathering the harvest in bumper-crop years (in the 1970's, etc.). In one and the same land areas—2 million hectares of arable land—in the years 1970-1985, 15-16,000 combines and 30,000 motor vehicles took part in the harvest and 45,000 persons were drawn in from city enterprises. Last year and year before, the biggest harvests in the last 30 years were gathered in Omsk Oblast. However, we managed to get by in the harvest with 7,000 combines instead of 16,000, 3,500 motor vehicles instead of 30,000, and we did not bring in one person from city enterprises. At the same time, all the grain was harvested. What is the reason for this? The kolkhozes and sovkhozes are now joint-stock enterprises. Every stockholder has a share—several hectares of personal land, depending on the area the joint-stock company owns. In previous years a combine operator worked for wages. He was a fifth category broad specialty machine operator. He could earn a maximum of 500 rubles [R] per month in a harvest. Today he does not work for wages. We did not operate a bureau, there were no heart attacks, we did not expel anyone from a party, and we did not employ the Ipatovo method. But the peasant worked on his own field. He knew that he was gathering grain that would feed him.

[ARGUMENTY I FAKTY] Leonid Konstantinovich, you are one of the founders and leaders of the Siberian agreement. Just what is it? Will it not lead to the creation of some kind of Siberian republic? Will it not transform Russia, as the opposition threatens, not just into 20 principalities, as there were in the 16th century, but into 89 uncoordinated components of the Federation with an eroded central authority?

[Polezhayev] In my view the managers in the regions, after all, are specialists in public law. None of them are infringing upon the integrity of the state, nor on the priority of state authority. When reform began, and when the Union collapsed, the leaders of the Siberian regions, perhaps quicker than all the others, became concerned about what would happen.

Let us analyze just what Siberia is for Russia? Is it simply a geographic concept? Or a material-technical and raw material base? Or is it an arms shop? How is Russia balanced internally today in a geopolitical and economic sense with the loss of Ukraine, Belarus, and the Baltics? Very likely, it is now necessary to look at Siberia precisely from this standpoint. Siberia itself does not need the kind of economy that has developed there. Believe me, it is nothing for me to produce 800 tanks per year. There are enough raw materials for 18 million persons in Siberia to live independently: forests, oil, gas, etc.

When we begin to collate our budgets and our transfers to the federal budget, and compare them with the budgets of other regions, we find an obvious imbalance to the benefit of the center.

I once again return to the principle, which I did not conceive, that we cannot have patchwork reform. It also cannot be uniform for the whole country. In Siberia, for example, there are branches that are not even subject to conversion. For example, how can you convert an enterprise that was oriented on the production of explosive substances or the atom bomb? They simply have to be shut down.

[ARGUMENTY I FAKTY] When Gaydar started his reforms, he proceeded from the fact that there is no socialist economy and there is no capitalist economy, that an economy develops according to laws that are common to all. Just as there is no socialist or capitalist physics or chemistry. Therefore, the center cannot help but work on common problems, for example, on the well-known liberalization of prices. But the regions have to work on their own problems.

[Polezhayev] Thus it is necessary to give them the opportunity to work on these problems. This is the first thing. Second, even keeping in mind that the economy has common laws, it cannot fail to take into account the peculiarities of that territory on which these laws operate. It must take into account the national features of the individual, his mentality and psychology, and, separately, the psychology of work to which he has become accustomed over the course of many years. Many of our failures result from the fact that economists, who allegedly project everything correctly, do not take these very important elements and qualities into account.

I think it is necessary to have more trust in the local authoritative structures and regional associations. Yes, we should have a unified transport and unified energy system, and a unified foreign policy and defense. But it is not necessary to teach me how to live with bordering

**Kazakhstan.** I know this better than the Muscovites. Let us determine the specific sum that we must give in the form of a federal tax for the maintenance of the state structures and support of the state. But now, Omsk gives 82 percent of its taxes to the federal budget!

[ARGUMENTY I FAKTY] That is, you think that the tax system is imperfect?

[Polezhayev] Of course. Let even a small part remain in the regions, but a reasonable one. This is necessary for reproduction, the creation of jobs, and support of the social and production infrastructure.

[ARGUMENTY I FAKTY] Yavlinskiy is working on reform for Nemtsov in Nizhniy Novgorod, and someone has invited consultants from America. Is there anyone in the Siberian agreement with such a brilliant mind from Moscow, from the United States, or from South Korea?

[Polezhayev] The development of regional economic policy and regionalization of reforms here in Siberia is a job that was handled by V.V. Malykhin. Unfortunately, he died recently. He was a great economist.

[ARGUMENTY I FAKTY] If Boris Nikolayevich offers you a good post in Moscow, will you go?

[Polezhayev] I have had more than one offer. And if I have to say "yes" or "no" today, I will say "no."

[ARGUMENTY I FAKTY] That is, you feel that you have real powers and real authority in Omsk?

[Polezhayev] Yes. But I could not work in isolation. I am not a charismatic figure, but simply a good business manager.

[ARGUMENTY I FAKTY] Is there a probability that the Federation Council will clash with the executive authority?

[Polezhayev] I see no drama in this. Everyone should function within the scope of his authorities. But he should also be confrontational on some questions.

[ARGUMENTY I FAKTY] But not to the degree that occurred in October of last year?

[Polezhayev] No. This is ruled out. There simply are different people there. First, a majority of the members of the Federation Council are people who know what ruling is, and what responsibility is. The managers of the executive structures are not secretaries of oblast party committees. I, for example, am not a manager who can be manipulated. The Council will intervene and compel the government to make adjustments to program actions. But this is natural.

I will cite an example. I am a professional hydraulic engineer. Years pass while you are building a large hydroengineering complex, and there is an accumulation of water. When the sluice gates are opened in order to let the water into a new stream sector, a rapid current rushes in. Everything foams, whirls, gathers up old rubbish, and

together with the foam, moves to the surface. But then everything quiets down, and the foam is cast upon the banks. A calm and clean channel remains in the center.

This resembles our political life. I think that the process of forming the channel has already started. It will become calmer and more sensible. But somewhere there is still erosion, somewhere there are cave-ins, somewhere there are breakdowns. And this is understandable.

#### **Novosibirsk Drug Trade Battle Detailed**

*944F0610A Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 20 Apr 94 p 10*

[Article by Irina Timofeyeva: "A Quiet War With Invisible Victims: Over the First Quarter Novosibirsk Militia Confiscated Almost Half of Tonne of Drugs"]

[Text] She got very scared; this was obvious to experienced operatives from the department for combating illegal drug distribution. And of course she did! She had spent several days on a train. Could not sleep properly—kept watching this milk can; she would have put it under the pillow, but this was not possible—honey would spill out. She just walked into the hotel room; just breathed a sigh of relief. And then everything collapsed instantly. Here it is, this milk can on the table—there are three kilograms of raw opium in it, hidden in the honey. In monetary terms—more than R40 million. Outside her window, free, city sparrows were chirping welcoming the spring, while she was facing...

...Novosibirsk Oblast is among the 10 regions in Russia where due to the activism of antidrug departments registered drug-related crime is on the rise. There is no contradiction in this. Illegal distribution of drugs—growing, manufacturing, transporting, storing, and distributing—are a latent—in other words, hidden—crime. (Alas, drug use has been taken off the list of criminal offenses during the past few years). This means that the better the operatives' work is organized, the more the personnel are informed—the higher the figures. Over the last three months of last year, 302 criminal cases were initiated; now there are 470 over the first quarter. This is against the background of an overall decline in the crime rate. Almost half a tonne of drugs (marijuana, poppy straw, and so on) have been confiscated, as compared to 1,200 kg over all of last year. Including 15 kg of raw opium. Calculate the value, keeping in mind that one kg costs R15 million. Also confiscated: 400 kg of controlled substances—narcotics, hallucinogenics, or substances enhancing the effect of real medicines (tranquilizers, antidepressants, etc.). Despite the ban, they are still sold in the streets and in commercial kiosks. Where does it all come from at a time when there are not enough drugs in hospitals, and some are not in pharmacies—or if they are, it is at prices beyond anybody's reach? The old supply and distribution disbalance is playing into the hands of those who make money on anything.

To win the battle against drug dealers, one must have, using modern terminology, a data bank. "We control the

situation in the sphere of drug use," is the simple explanation given by one of the senior people in the department. Criminal investigation goes from crime to a criminal. In the Department for Combating Illegal Drug Distribution [ONON], they go from a criminal to crime. Naturally, the woman with the milk can was "escorted" all the way to the hotel room. About a month ago there was a burglary in an apartment in Leninskiy Rayon. The owner of the apartment was messed up so badly that he did not make it to the hospital. Several hours later a suspect was detained: The trail had started with the victim who was known in the drug addicts circles.

Approximately 40 percent of the pot consumed by Novosibirsk drug addicts is manufactured within the oblast. Which is not surprising, since poppy does grow here, as well as hemp, which has contaminated 27,000 hectares. Nobody is in a hurry to remove it—rural residents are busy with other things, and the militia has limited resources. The transparency of so-called borders, plus being at a crossroads, attracts drug business from Central Asia, the Caucasus, and Ukraine. It is brought most often by train or car. In increasingly larger consignments. Only a year ago one kg was considered a large consignment. In January almost 12 kg were confiscated from just one courier. It is not rare to encounter consignments of eight, five, four kg. In specialists' opinion, the bulk of raw opium (one gram of which is equivalent both in effect and in cost to a cup of poppy straw) is brought from Afghanistan through Tajikistan.

I have heard the opinion expressed that militia efforts to combat the drug business only increase it. It does not make sense, they say, to catch small-time dealers because others take their place. It is a superficial and erroneous opinion. ONON works in different directions. A one-time catch of three kg of opium is not a small-time deal. In some operations just one seller unloads the drugs to 100 or more buyers. They get registered, and the seller will face a trial. Drugs cost money, and a drug addict as a rule does not work. The more distributors are isolated, the fewer the number of mercenary-type crimes. The department has an interrayon unit for investigation of general drug-related crimes. There were 100 of them solved in the first quarter. More than 20 units of firearms uncovered, not counting ammunition. In one commercial kiosk, together with marijuana they found two shrapnel grenades. A gun disguised as a pen was found in possession of a female drug seller. One charge was sufficient to kill a person. The next day, a home-made revolver was found. A certain T., who has committed 16 apartment burglaries and an assault, was detained.

Almost half a tonne of confiscated drugs has a street value of R410 million—this is just for three months. This is the amount taken out of criminal circulation. This means that this money will not be used to support crime bosses; will not be used to set up organized groups

and gangs; will not be used to purchase arms or hire contract killers. And these millions, which is also important, will not have flown to near-abroad countries, where they are like dollars for us—hard currency. Because over a three-month period criminal charges were brought against 54 couriers and distributors from the former republics.

What is the prognosis? The demand—which means the supply—will keep growing. Increasingly, more young people and teenagers get drawn into the horrible game. A drug addict does not live long. He is lucky if he makes it to 40. Drug-related crime committed by juveniles last year increased by more than 20 percent as compared to 1992, and over three months of this year, by 19 percent. Crime committed in the state of drug intoxication is on the rise. As a rule, distributors do not use their own goods. Of more than 300 persons (80 of them women) charged with distribution of drugs, only two had previous convictions. Fresh people—which means that the drug business does not surrender its positions. There is also a trend toward the use of synthetic drugs, which destroy a person 20-100 times faster. Trimethylphentanil, one gram of which is enough to make 1,000 doses, and crack have not yet reached us. Choice drugs cost incredible money. The situation is under control. Last year two labs were liquidated in the city, which had the needed set of chemicals to produce "synthetics." The number of poly-drug addicts—those who can use anything, whether it is hashish, marijuana, or vodka—is growing.

Meanwhile, many bitter words are being said in different departments on the subject of combating and preventing drug addiction. The result is practically zero. It is like the shouts "Halva! Halva!" do not make sweet taste in the mouth. While medical practitioners for drug addiction have a clear picture of the terrible danger, it looks like our educational system does not intend at this point to enlighten children and their parents openly and on a broad scale. ONON personnel have enough conversations with fathers and mothers who refused to notice the strange behavior of their offspring and the suspicious glitter in their eyes. Where are our hygienic-educational measures, which used to be quite strong in the past?

The drug business is essentially a part of organized crime. It is also smuggling. It has to be interdicted at customs and by the endlessly reorganized KGB. Yes, they also work on it. But the lion's share of the work is still left to militia. Meanwhile, the department that deals with it has only five cars. There are probably rich, decent, and concerned people in our city, too. The perfidy of drugs also is in that they do distinguish whose son (or daughter) jokingly, in pretense, inhales that first puff. And then progresses to a needle... Perhaps they would find it worth it to help in this quiet war, because it is indeed a war against a formidable enemy.

**Mayor's Office on Local Unemployment**

944F0641A Novosibirsk VECHERNIY NOVOSIBIRSK  
in Russian 25 Apr 94 p 6

[Interview with I.Ye. Terekhov, chairman of the Committee for Labor and Employment of the Novosibirsk Mayoralty, by Irina Kamenskaya; place and date not given; "No Unemployed With Tenure Have Been Detected"]

[Text] **The mayor of the city has approved the Program for Facilitating Employment of the Population in Novosibirsk. We asked Igor Yevgenyevich Terekhov, chairman of the Committee for Labor and Employment of the mayoralty, to comment on the most fundamental aspects of this document.**

[Kamenskaya] What changes have occurred on the labor market in the last year?

[Terekhov] As of 1 January 1993, 6,500 unemployed were registered in Novosibirsk, whereas as of 1 April of this year—6,180. This is to say that the number of unemployed has not been growing, despite a slump in production. This is associated with employees of state structures going over to the sector of private trade (200,000 people since 1992). In addition, hidden unemployment exists, which in the event of an abrupt deterioration of the economic situation might become a destabilizing factor.

The social breakdown of the unemployed has changed. In 1993 we referred to engineers, technicians, and clerical employees. At present workers account for 30 percent of those registered by the Employment Center. There are still complications with the placement of women in jobs. They account for 76 percent of the unemployed. One-third of those registered are under 30. The proportion of this age bracket is growing, as is that of people who have not turned 18 yet.

[Kamenskaya] What is the outlook for the next few months?

[Terekhov] The law on mass layoffs currently in effect envisions a certain financial load on enterprises in the event of their releasing large numbers of employees. This is a restrictive factor. People mostly quit at their own request, substantiating this by delays in paying wages. Of the 60 enterprises of the city that we checked, wages have been paid on time at only six as of now.

Reinforcements are expected in the youth labor market. According to our projections, between 5,000 and 9,000 current graduates of educational establishments will be concerned about finding employment.

[Kamenskaya] Does the form of providing assistance to unemployed depend on the situation on the labor market?

[Terekhov] Yes. Previously we restricted ourselves to consultations at the Employment Center, whereas other forms of work are also in use at present. Their objective is to encourage self-reliance in those who are going through a difficult time.

Of course, a number of measures to alleviate the situation of unemployed young people are envisioned separately. These are traditional forms: retraining, organization of public works, and also new forms—for example, half a year of on-the-job training for graduates of special secondary and higher educational establishments, incentives for entrepreneurs to create jobs for young specialists. We will prepare young people for commercial activities: instruct them in marketing and familiarize them with legal documentation. The plan is to provide financial assistance to novice entrepreneurs. In addition, a mayoralty decree on tax relief for this group of the population is being developed.

[Kamenskaya] Tell us briefly about retraining the unemployed.

[Terekhov] We have not given up retraining. Last year 700 people were trained in 20 occupations; 90 percent of them have been placed in jobs. To be sure, I will note that training costs us four times more than payment of benefits.

[Kamenskaya] What is the vacancy situation as of today?

[Terekhov] There are about 4,500 vacancies in the city. Engineer and technician cadres, clerical employees, and managers of various levels are sought. However, for the most part these are blue-collar occupations.

Here is an interesting fact: There are about 50 vacancies for those with the occupation of accountant in the city; at the same time there are about 200 representatives of this profession among the unemployed. What is going on? Employers are not happy with their professional competence. As you can see, quality requirements for labor are now greater.

[Kamenskaya] Do we have unemployed with a long tenure?

[Terekhov] On average one succeeds in finding a job in four months.

[Kamenskaya] How much does this program cost?

[Terekhov] About 10 billion rubles, including the payment of benefits and support for planned projects. The program will be financed out of 2 percent transfers from the wage fund of city enterprises and organizations.

**News From St Petersburg****City Budget Viewed**

944F0582A St. Petersburg SMENA in Russian  
15 Apr 94 p 1

[Article by Vika Uzdina: "Will New Revenues Compensate for Expenditures?"]

[Text] **In keeping with the prognosis of the receipt of revenues into the municipal budget during the second quarter of this year, it is suggested that only 50 percent of the costs of the municipal economy be financed in May.**

In May 97.1 billion rubles [R] will be spent on the needs of the city. This was announced at yesterday's meeting of the St. Petersburg Government by the chairman of the Committee on Economics and Finance, Aleksey Kudrin.

In June the rough limit on financing for the distributors of credit (committee chairmen, administration chiefs, local administration heads, etc.) was set in the amount of R125.1 billion. This money is intended to fully satisfy the needs to pay wages and to finance all the city's sociocultural expenses.

Aleksey Kudrin emphasized that the reduction of the volume of financing of the municipal economy was brought about by the reduction of the revenue side of the budget. In the second quarter of this year the projected revenues for the city budget will be R3,535,205, which will in no way compensate for the expenditures on maintaining the municipal economy. In all probability certain programs for social protection of disabled persons will be suspended in May (provision of transportation, payment for gasoline, etc.). The reduction of financing for the housing and municipal sphere will make it impossible to conduct prompt repair of 46 city streets which are in unsafe condition.

In order to somewhat improve such a pathetic situation, the city authorities intend to look for additional sources of revenue. For example, just increasing rents and introducing new methods of settlement for certain categories of lease holders could bring R53.8 billion into the city budget (during the period from 1 May through 1 January 1995). By increasing the rates of the land tax and paying for plots of land into the revenue side of the budget during the period from 16 May through 31 December it will receive an anticipated R67.3 billion. (The draft of the corresponding directive from the mayor, which will be approved, establishes the average rate for land tax in the amount of R735 per one square meter.)

In the opinion of Deputy Mayor Vladimir Yakovlev, it is necessary to draw up a kind of target program for financing the city economy which will determine not only the priority areas for financing but also the deadlines for allotting funds.

#### Independent TV Network Director Interviewed

944F0582B St. Petersburg NEVSKOYE VREMENA  
in Russian 15 Apr 94 p 1

[Interview with Igor Malashenko, general director of the NTV television company, by Andrey Yevdokimov under the rubric "First Hand"; date not given: "We Do Not Get Involved in Conspiracies"]

[Text] Moscow-St. Petersburg—[Yevdokimov] Did you know that the leaders of St. Petersburg TV are explaining the "stirring up of scandal around St. Petersburg TV and its leaders as a unique kind of 'smoke screen' for large-scale operations for commercial structures to seize television broadcasting networks from NTV." They are saying that NTV is backed by Israeli capital and the

abbreviation NTV, which is well known to the viewers, means nothing other than "Non-Russian Television."

[Malashenko] I cannot say that we were very disturbed by Viktor Sergeyevich Pravdyuk's latest statements against us. They are more a characterization of him personally. If he allows himself to use as arguments things such as reproaches for "non-Russian" origin and the domination of Israeli capital, I can only express my amazement. That people who are proud of their impeccable credentials as democrats end up with such extraordinary ease among those who fan the flames of hysteria regarding the so-called worldwide Jewish conspiracy. Incidentally, Mr. Pravdyuk's patron, Mikhail Nikiforovich Poltoranin, has also taken to making such statements recently.

[Yevdokimov] Has NTV made any attempt to seize the television broadcasting network of Channel 5?

[Malashenko] As you know, NTV covers the network of Channel 4. And we have no intention of taking any network away from other television companies. I will tell you that quite definitely. Although I must note that the problem is much more complicated than it might seem at first glance. In Russia there is a complex system of radio relay lines, transmitters, and various auxiliary services that support television broadcasting. And no one television company may have any exclusive, fixed rights to them.

I cannot deny that two oblasts came to us requesting assistance in switching their broadcasting from St. Petersburg's Channel 5 to NTV's Channel 4. The reason is that St. Petersburg TV is not attractive enough and there is delay in paying for the services of the communications workers. We made no decision regarding these requests and we will not do anything without notifying the Ministry of Communications, the Rostelekom joint-stock company, and other organizations.

As for the GTRK [State Television and Radio Broadcasting Company] St. Petersburg..., they, of course, have problems of their own. But the company's leaders are deeply deceived if they think that these problems can be resolved by administrative pressure.

I wish to emphasize that NTV is not involved in any conspiracies and in general we have too many problems of our own to think too frequently about the leadership of St. Petersburg television.

[Yevdokimov] Please explain the causes of the conflict related to the rental of Russian films on our television...

[Malashenko] We buy the rights to rent Russian and foreign films strictly in keeping with copyright legislation. The corresponding agreements stipulate the obligations of the holders of these rights to respond to all claims right down to a judicial investigation. I must say that I first learned from you that St. Petersburg TV has certain agreements for films that we show. I will take the liberty of questioning that—I am too familiar with the

leasing practice of past years, when nobody at all was interested in the observance of copyrights.

[Yevdokimov] But there is a generally accepted practice for resolving such disputes. Why can everything not be taken care of peacefully?

[Malashenko] We have sent a letter about this to St. Petersburg and it contained similar proposals. But we have received no answer. Therefore we intend to go to court and resolve the dispute by purely legal methods.

[Yevdokimov] Can you confirm or deny the version that says that one of the reasons for the scandal surrounding St. Petersburg television and its leaders is the backroom activity at NTV?

[Malashenko] That is absolute baloney! You can use whatever epithets you like. I think the same mentality is at the bottom of these absurd accusations. If you believe in an immense, worldwide conspiracy against the duped people of Russia, there absolutely must be other, smaller conspiracies as well. It is very convenient to use such concepts to explain various mishaps and personal squabbles—the guilty parties are always at hand.

#### Agreement With Unions, Enterprises

944F0582C St. Petersburg SANKT  
PETERBURGSKIYE VEDOMOSTI in Russian  
15 Apr 94 p 1

[Unattributed article: "Trilateral Agreement"]

[Text] A trilateral agreement was signed in Smolny yesterday among the Government of St. Petersburg, the Union of Associations of Enterprises of Industry, Construction, Science, Transportation, and Communications, and the Council of the Leningrad (St. Petersburg) Trade Union Federation for 1994. It was signed by the city's mayor, Anatoliy Sobchak, the president of the Union of the Association of Enterprises, Viktor Kharchenko, and the chairman of the Trade Union Federation, Yevgeniy Makarov.

The parties agreed on joint actions regarding questions of socioeconomic policy, regulation of labor relations, provision of the necessary guarantees for workers, and prevention of labor conflicts.

In particular, the agreement envisions prompt payment of wages. If there is a delay of payment for a period of more than a month, for workers of enterprises financed from the state budget, the amounts that are delayed will be indexed taking into account the higher consumer prices during this period.

Upon signing the agreement St. Petersburg Mayor Anatoliy Sobchak noted that last year such an agreement was completely justified and the city avoided large conflicts and strikes.

#### Factory Protests Economic Policy

944F0582D St. Petersburg SANKT  
PETERBURGSKIYE VEDOMOSTI in Russian  
15 Apr 94 p 1

[Unattributed article: "Rally In Front of Kirov"]

[Text] The theme of the rally at the gates of the Kirov plant was as follows: The government is not considering the demands of the labor collectives and not paying attention to their voice when drawing up state programs.

About 4,000 people participated in the rally, including representatives of several of the city's enterprises. The leaders of the association did not participate in the rally, but Kirov's general director, Petr Semenenko, said that they were sympathetic toward the demands of the trade unions and considered them just.

The trade unions' demands are known: for the government to develop an economic policy that would stimulate production. We have a unique situation today: We have raw material, we have production capacities, we have people, but nobody is working because the government policy makes it disadvantageous to work.

In any case the militia was invited to the rally and there were no excesses. The question now is as follows: Will the government take the demands developed by the city's trade union aktiv and supported by the rally seriously enough or will it ignore them? If the government perceives the rally not as a demonstration of force but as an ordinary political measure, we will arrive at the situation that developed in Russia in 1905.

#### Printing of Several Newspapers Halted

944F0615A St. Petersburg SANKT  
PETERBURGSKIYE VEDOMOSTI in Russian  
23 Apr 94 p 1

[Announcement by the St. Petersburg State Newspaper Complex: "Newspaper Publication Suspended"]

[Text] The St. Petersburg State Newspaper Complex wishes to make it known that a number of central and local newspapers systematically fail to fulfill contract agreements with respect to payments for printing services.

As of 20 April 1994, the newspaper complex was owed R10.6 million by ARGUMENTY I FAKTY, R35.6 million by ROSSIYSKIYE VESTI, R26.5 million by ROSSIYSKAYA GAZETA, and R13.9 by SMENA.

The total amount owed to the complex by all customers amounted to more than R300 million.

Because of systematic nonpayments the printing house is unable to purchase materials and pay for fuel, energy, and transportation, which may jeopardize newspaper printing in St. Petersburg and the Northwestern region altogether.

Beginning 25 April 1994, the printing house is compelled to suspend printing the following newspaper until all payments due are received: ARGUMENTY I FAKTY, ROSSIYSKIYE VESTI, and ROSSIYSKAYA GAZETA.

We suggest that all complaints be addressed to these newspapers' editors.

### Sobchak Attempts To Remove Vice Mayor

944F0615B St. Petersburg NEVSKOYE VREMENYA  
in Russian 23 Apr 94 p 1

[Interview with St. Petersburg's Vice Mayor Vyacheslav Shcherbakov, by Vadim Tyagniryadno; place and date not given: "The Quarrelsome Mayor"]

[Text] *There is a new scandal in the upper echelons of the city authorities. Anatoliy Sobchak issued a directive to relieve Vyacheslav Shcherbakov from his duties as the vice mayor.*

*Directive No. 375, dated 20 April says: "In keeping with Minister of Defense Order No. 0831 to place...Rear Admiral Vyacheslav Shcherbakov under the command of the Navy commander in chief, having relieved him of his duties as the vice mayor."*

*Judging by what Vyacheslav Shcherbakov himself is saying, however, the out-of-favor vice mayor has no intention of parting with his office in Smolny just like that.*

"I am amazed at the groundlessness of this document from a legal standpoint, especially considering that its author is a doctor of juridical science," he said. "Leaving aside the fact that the number of the minister of defense's order is incorrect, the mayor distorts in principle the contents of the order. I have been placed under the command of the Navy commander in chief since 28 December. And only he may decide what I am to do. At this point he is convinced that I should continue working in the organs of executive authority because, among other things, it is for the benefit of the Navy.

"All of this is even more groundless because on 14 April, with the consent of the commander in chief, I requested to be discharged from the Navy, since I had decided to devote myself to work in the City Assembly."

[Tyagniryadno] What will you do next?

[Shcherbakov] I will have to challenge the mayor's directive. I was elected vice mayor by the city's population, and I cannot submit to the decision of one person. I will attach my explanations and forward these documents to the procurator. I am sure that the law is on my side.

Vyacheslav Shcherbakov still is permitted to come to Smolny—yesterday morning he was in his office.

This is not the mayor's first attempt to get rid of his recalcitrant deputy: As is known, the former confederates have long had serious disagreements both on the issues of city management and in their political leanings. For a long time the vice mayor was practically in disgrace. During the events of September-October of last year, Vyacheslav Shcherbakov's staff was disbanded and he himself suspended from duties for a while. Nor was he included in the new city government. So far, however, despite all the mayor's efforts, Vyacheslav Shcherbakov unfailingly has been able to keep the vice mayor's suite.

### St Petersburg Transportation Rates Raised

944F0615C St. Petersburg NEVSKOYE VREMENYA  
in Russian 23 Apr 94 p 1

[Report by Igor Cherevko: "Universal"—for 16.000, Free—for 5.000"]

[Text] *It looks like the city transportation structures decided to establish a "good" tradition of monthly increases in transportation rates.*

Yesterday, fares on the St. Petersburg subway increased by 50 percent. Now one ride in the subway will cost R150. Streetcar, trolley bus, and bus fares now will be R150. Transporting luggage will cost the same. The fare will be accepted by punching a R2 or R5 coupon, which will now be assigned a face value of R150.

The most impressive price hikes will occur with respect to monthly fare cards, however. From now on the cost of an unlimited monthly fare card for one type of ground transportation will be R7,500; for two, R11,200; and for three, R13,500. A universal fare card will cost R16,000.

Students, as well as vocational and regular school pupils, will not fare any better. For instance, a "student" fare card for one type of ground transportation will now cost R3,700, and a "pupil" one—R2,500. A fare card for two types of ground transportation will cost these categories of riders R5,600 and R3,700, respectively, and the "universal" will cost R8,000 and R5,300, respectively.

At the same time, the fine for riding without a ticket or not paying for luggage will remain the same. As before, it is R5,000.

### St Petersburg Organized Crime 'Substantial'

944F0615D St. Petersburg SANKT  
PETERSBURGSKIYE VEDOMOSTI in Russian  
23 Apr 94 p 1

[Report by the City Assembly's press center: Deputies Meet With Top Officials of the City Administration of Internal Affairs"]

[Text] Deputies of the St. Petersburg city assembly met yesterday with top officials of the city's law enforcement organs in the Mariinskiy Palace's Blue Hall.

Arkadiy Kramarev, the chief of the St. Petersburg and Leningrad Oblast city administration of internal affairs, told the deputies that so far there has been no success in halting the rising crime.

In the general opinion of the top officials of the city's law enforcement organs, the scale of organized crime in St. Petersburg is quite substantial. According to Arkadiy Kramarev, criminal structures may indirectly influence decisions of the city authorities. In order to preclude the possibility of criminal elements interfering with the process of city administration, deputy Sergey Andreyev proposed that by the time the city assembly begins its work all heads of law enforcement organs submit a list of priority normative acts, whose adoption will make it possible to improve the crime situation in St. Petersburg.

Also yesterday a group of deputies petitioned Russian Minister of Internal Affairs V. Yerin to postpone the question of relieving A. Kramarev from his job—the rumors of his replacement have been circulating in St. Petersburg—until the city assembly begins its work.

### 1993 Novokuznetsk City Budget Figures Cited

944F0594A Novokuznetsk KUZNETSKIY RABOCHIY  
in Russian 3 Mar 94 p 1

[Article by S. Stepanova: "City Life in Figures and Facts: Deviation From What Was Planned—General Failure?"]

[Text] *One of the important moments in the report of the city administration on work in 1993 was the information on the construction-investment complex, finances, and ecology.*

Last year, R193.6 billion of capital investments (in prices in effect) were used by the city at the expense of all sources of financing. Of this, R136.1 billion were used for production facilities and R57.6 billion, for nonproduction facilities. Construction-assembly operations were implemented to the extent of R143.6 billion.

Capital investments in the construction of housing amounted to R40 billion (of this, R1.6 billion was found for housing for servicemen, and just as much for workers in public education; R6.9 billion, for health services; R8.2 billion, on municipal construction; R0.2 billion, on the construction of cultural facilities; and R0.8 billion, on various other facilities).

Last year, 155,662 square meters of housing were introduced (including 3,231 square meters for servicemen discharged into the reserve).

The construction of all objects was conducted basically on resources of enterprises: 84 percent of all capital investments for the year. Capital investments of the city's capital construction administration amounted to R23 billion; of this, R2.5 billion was directed from the federal budget, R2.7 billion, from the oblast budget, and the remaining R14.9 billion, from the city budget.

Besides housing in the last year, children's preschool institutions for 600 seats were built in the settlements of Pritomskiy and Sadoparkovyy, a food and trade shop in 41-42 quarters in Tsentralnyy Rayon, and storm sewers (KMK) [Kuznetsk Metallurgical Combine] and a public health zone (ZSMK) [Kuznetsk Metallurgical Welding Plant].

Work was continued on facilities that were a priority for the city: the reconstruction of the Kuznetsk TETs [Heat and Electric Power Station], the construction of another sewer line, a boarding home for old people and invalids in the Novoilynskiy micro rayon, a junction of the Bungur highway crossing, and medical and sanitary units for construction workers, and others.

Not all of the facilities of the municipal order were put into operation. There was one reason: the inadequacy or lack of financing.

Meanwhile, as for finances, last year the budget of the city was filled by 104 percent. This means that the resources received and expended on the city's needs were more than what was planned.

The city received incomes of R85.3 billion. And while 116 percent of the planned level of the tax on profit was received, there were shortages in all of the other taxes. This entails income tax from the population (91 percent of the planned level), VAT (77 percent), excise taxes (74 percent), and land tax (92 percent).

There was an ecological program based on financing from the ecological fund and the municipal budget.

Out of 34 planned measures, only 22 were fully or partially completed. There are several reasons for this. One of the main ones: There were not enough financial resources. Therefore, for example, a municipal socioecological improvement project was not established that was supposed to be financed from the federal budget within the scope of the federal program "Ecology of Russia" (R50 million). Three million rubles were not found in the oblast ecological fund for correcting the project for the organization of a sanitary zone for the protection of the Dragunskiy water intake.

As for the city budget, an ecology expenditure line appeared in it for the first time in 1993. Instead of R266 million for ecological programs, R25 million was allocated last year. The fact is that, on examination of the budget, the inner city council, after approving the given sum in the expenditures part, did not determine the sources of financing. Therefore, spending on ecology last year was conducted to the extent possible. Purely organizational aspects also had an effect on the implementation of the program. For example, the status of the Targavskiy coniferous forest, which made it impossible to develop a recreational zone there. A decision on the question of the establishment of a municipal ecological control service in the city was postponed. The city administration and the oblast environmental protection

committee were unable to arrive at a mutual understanding on the Sibgipromez joint-stock company as the developer of the city volume of maximum permissible wastes (the oblast organization did not vote for this organization in the indicated capacity).

From what was done, that is, brought to an end, the following can be named. Drinking water filters were set up and tested in schools of the Tsentralnyy Rayon. A working draft was produced for installation for purifying sewage of carbamide-formaldehyde tars for the furniture factory. One other study concerned the organization within the confines of the city of a forest park area and the protection of city forests from fires.

Analyses were conducted last year of storm waters and snow from snowfalls. Instruments were acquired for the health and epidemiology inspection and hydrometeorological services, tests were conducted on the soil, and an ecological map of the city was created. For the future, work is being done to equip a city ecological education center and an experimental school for general ecological education (on the basis of school No. 4).

But, of course, important expensive measures were not implemented...

### Magnitogorsk Metallurgical Plant Director Views Current Tasks

944F0619A Chelyabinsk CHELYABINSKIY RABOCHIY  
in Russian 9 Apr 94 p 2

[Interview with A. I. Starikov, by CHELYABINSKIY RABOCHIY correspondent Yu. Kormiltsev, Magnitogorsk, under rubric "Economy": "Anatoliy Starikov: 'Don't Patch Up the Holes, but Make Decisions in a State Way'"]

[Text] Five years ago the Magnitogorsk Metallurgical Combine bathed in the rays of glory. The first-born child of socialist industry continued to surprise people with its record-breaking successes. Just think, it used to produce 16 million tons of steel a year! More than any European country.

Today the world's largest combine, like the entire metallurgical industry in Russia, is in a difficult situation. Entry into the civilized market proved to be no simple matter. In this situation nothing will help—not the former merits, not the decorations awarded, not the high-sounding titles. Every enterprise is fated to take its own path in getting to the market. The reform also required that the MMK [Magnitogorsk Metallurgical Combine] administrators think about economics in a new way, take different approaches than they had in the past, and display new talents. This was the topic of a conversation that our correspondent had with Anatoliy Ilich Starikov, general director of the "MMK" AO [joint-stock company] and president of the Chelyabinsk Oblast Union of Industrialists and Entrepreneurs.

[Kormiltsev] It is unusual to hear reproachful statements directed at our metallurgists. Because your plans and production orders always used to be fulfilled with enviable constancy. But currently either the prices have risen unexpectedly, or the raw materials have not been paid for promptly. Of course, everyone is having a difficult time. But for such a giant as MMK, things certainly should be a bit easier, shouldn't they?

[Starikov] Everything is not so simple. Let's recall history.. At one time a very catchy jingle was born here: "We'll run ourselves ragged, but we won't let down Magnitka" [rhymes in Russian]. We ran ourselves ragged during the entire war. And even later. Properly speaking, things never were easy. After all, we operated on imported raw materials practically all our life. Nevertheless we had the highest profitability level—28 percent. That was twice as high as, for example, the level in Lipetsk at that time.

It is another matter that, while giving its all to the Motherland, Magnitka gradually lagged behind with regard to the qualitative specifications of the metal. The equipment was wearing out, and the assemblies were getting old... Also, iron gets tired. You cannot master the latest technologies just by shouting "hurray!" And so, even if you were a three-time patriot at your beloved enterprise, if you do not renew the technology, sooner or later everything will begin to fall apart.

At one time a long-term program for the remodeling of the combine was prepared. But certain events occurred, and we proved to be "thrown overboard," outside the state programs.

Well, the market will not accept emotions, and former enthusiasm will not save us. This is a stern and mobile conveyor belt where, from day to day, there is a merciless struggle for survival. But how can we survive if, all of a sudden, everyone has proven to be debtors—not only the producers, but also the consumers? The unprecedented crisis of nonpayments, according to certain pundits, is just a demand crisis. So they begin—excuse me for speaking so sharply—brainwashing everyone, telling them, "You're producing the wrong kind of output, that your partners just do not need." That's demagoguery! The reason for the production slump is not the law of demand for our metal.

The combine's fixed assets today have been supporting a workload of only 56 percent. But worldwide practice says that if they have a workload of less than 80 percent, their use is inefficient. We were forced to stop, for example, two coke-chemical batteries because of a shortage of coal we are converting the remaining ones to an operational mode that removes the graphite from the walls, and this leads to the premature wearing out of the furnaces, so that, consequently, their service life is reduced by half. What will this lead to? To a disaster. Those are the conditions we are working in. Now is it

understandable why our combine does not always succeed in being a reliable partner? And the fact that thousands of other enterprises are in the same situation is small solace for us.

[Kormiltsev] Do you mean, then, that we are yielding our positions?

[Starikov] We maneuver, and sometimes we retreat, but we do not give up! We are not sitting idly by. The market has made harsher demands on all the services, and has also new things to worry about. Let me return again to history. To a certain degree, things were not really too bad for us previously, before the reforms. The ministry, Gosplan, and Gossnab assumed many functions. The state used to provide us with raw materials and production orders, and with equipment. There was an opportunity to engage deeply in the development of technological innovations and to experiment. It was for good reason that Magnitka used to be called a nationwide school for advanced experience.

But then the centralized supply and distribution disappeared. The market arrived. Suddenly there appeared the acute need to change the way we thought about the economy. Beginning with the enterprise director and ending with the packer. We cannot produce even a single ton of unneeded metal! It is, essentially speaking, a revolutionary task. There are no sales for the old steel. And if there is no sale of the output, there is no money. And the only people we can blame are ourselves. The consumer psychology has to be changed as quickly as possible. We must not run around in confusion, or act nervously, but we must calmly analyze our own capabilities, of which I feel there are many.

[Kormiltsev] So where did you begin?

[Starikov] We began from where we had been burned. With economic independence. It is not a matter of a fashionable slogan. We actually need economic independence. But who needs it, and to what degree? You cannot understand what the market is by analyzing other people's mistakes. It is necessary to feel the market with your own hands, to experience it, because most administrators have become accustomed to thinking and doing something "from this point to that point," knowing that the plant administration will be able to correct any distortion or bad decision. But it is necessary for each of them to be not only an efficient executor but also an intelligent conveyor of market ideology.

Putting it more succinctly, we have created a number of daughter enterprises. We have written out their functional duties. We attempted to provide for many things. But the spontaneous situation in the market proved to be stronger than our good intentions. The old psychology is like residual magnetism. For that reason many of the subdivision administrators felt that the market relations are built only on buying and selling. Apparently their head was spinning from incomplete liberalization of prices, by the fact that today no one from the top is

requiring detailed reports, that everyone is his own boss, and that you can turn any way you want to.

For a long time it was necessary to explain things and even to spoil the relations with certain "market experts." It is necessary to engage not in speculation, but in the organizing of labor, in trade, and to learn how to live in the new economic situation.

Management is not the primitive buying and selling of output. It is possible to be victorious over your rival in the market not by asking a high price, but, on the contrary, by asking a lower one. But in order to do this it is necessary to construction all your work in a new way.

I will say honestly that we have not yet become completely successful in breaking the market primitivism, or that peculiar kind of self-seeking attitude. Although much has been done in this direction: we have had the training of personnel, familiarity with foreign practice, and we have invited foreign specialists here. Nevertheless we have not yet succeeded in bringing to a conclusion everything that was planned.

But since 1 April all the production subdivisions that are linked with the production of metal have been united into the lead plant on the basis of cost accountability.

[Kormiltsev] The daughter enterprises have forced you to take a different look at the process of managing the combine. Currently there have been many discussions about the functions of the plant administration, and about renewing them. What is the significance of this?

[Starikov] We are opposed to a simplified understanding of the sale of output. The combine is not a flea market where the main slogan is "buying and selling" at any cost. We are in favor of a civilized market that saturates society with the output that it needs. And it is necessary to predict the market. For five years ahead or even more. We are required to know what is awaiting us tomorrow. Consequently, it is necessary to develop a marketing service. A combine is a cumbersome thing. It is difficult to rock it. But it is also difficult to stop it. The forces of inertia can drag you down a blind alley.

That is why the work with personnel occupies absolutely the first place with us. Previously we relied on professionalism. We wanted the steelmaker to be able to pour the steel better, more effectively, and the roller to obtain the necessary rolled shape, etc. Now the emphasis is on market knowledge. It is becoming a vital necessity to consider the expenditures. Otherwise you will be burnt to a crisp. Previously the financial service lived its own life, a paper life that was comprehensible to only a few people. But now the financiers are becoming the leading specialists. That is what the analysts must also be. And it is our duty to organize the work of that service properly.

And what about credit? To tell the truth, prior to the reform we had a rather confused idea about credit. Why was that? The party and the government made the decision say to build a converter shop at Magnitka. The

funds are allocated, the people are sent out, and the contractors are designated. Today it's different. You decide for yourself who you are going to call, and to whom you are going to entrust the important project. You yourself think what this will produce—not only from the production point of view, but also from the social and ecological points of view. There is an entire range of questions here, and each one requires careful study.

And questions of ownership? There continue to be unabated disputes about the methods, means, and alternatives of privatization. Some people assert that the managerial upper layer is attempting quietly to grab as much as they can for themselves, and to get rich at the expense of ordinary laborers. Others feel that it is not worthwhile to hurry to buy shares... It is obvious, however, that there has arrived for us a very important period that previously was completely unknown to us—it will be necessary for us to learn how to work with securities, to penetrate more deeply into the wisdom of leasing, trade, and cooperation with foreign companies. In each such area it will be necessary to define one's position, and take a cautious approach in planning a program of actions. Because once the market has been declared to be state policy, it is necessary to take a professional state attitude toward it.

[Kormiltsev] Let's return to the real-life situation today. Almost all the problems that you listed are linked with the remodeling of the combine. Without that remodeling the production of quality metal will not occur, and without metal there will not be any decent wages, no social blessings, no clean sky over Magnitka. The market is merciless competition. Essentially speaking, the state has eliminated itself from the leadership of the economy, and there will not be any sponsorship of enterprises, such as we used to have. How then do you plan to carry out the remodeling?

[Starikov] It is difficult to give any unambiguous answer. I shall express one point of view. The restructuring of production in such a cumbersome thing as our combine requires a tremendous amount of funds. Not a single enterprise of this kind is capable of earning those funds independently. We shall not speak about the historical debts that Magnitka has a right to expect from the country. Because Magnitka continues to "run itself ragged." I would like to know how similar problems are resolved in the developed countries.

The state there does not eliminate itself from large-scale production. It is a subject of the market, its regulator. If it goes, say, to expect, for example, a one-of-a-kind mill or shop, that question is resolved frequently not even at the level of that state, but at the level of the European community. But we suffer from an old disease: we rush from one extreme to another. After rejecting total control of the economic sphere, our state moved completely away from regulation. The enterprises got unlimited freedom, and the economy remained all alone with its own problems.

We traditionally consider ourselves to be monopolists in our branch. But things are very, very difficult even for us. I feel that only the state can introduce order in the rampant price anarchy. Only the state can and must regulate the interrelationships between the producers and the consumers. No, I do not want to beg in a veiled manner to have the state give us credit. I know that the Kremlin's treasury has been empty for a long time. But the state can and must give a bank a guarantee to cover the credit, because we are talking about the restructuring of a base branch.

[Kormiltsev] Was the recent visit by a governmental delegation headed by Oleg Soskovets reassuring in this regard?

[Starikov] I shall state outright that we attach fundamental importance to that visit. We have prepared a program for the development of the combine until the year 2000. There are two directions in this strategy: the change in the technology of production for producing only output that is capable of meeting the competition, and, at the expense of that, diversification, the creation of a machine-building complex and a construction industry, and the further development of the production of consumer goods. Understandably, these ideas require colossal funds. Of course, we are earning some of them, by creating joint-stock companies, and also at the expense of improving the administration of production, the creation of more rigid demands placed on the executors, the introduction of all kinds of innovations, etc., in a word, by the expense of reducing all the expenditures. But we are also counting on state support. And on the attracting of foreign investments.

The governmental delegation visited very important projects in the combine that are ready for activation. It was convinced that we had undertaken a big task. The important guests saw with their own eyes the condition to which the flagship in heavy industry has been brought. Even the small balance-sheet profit that was received last year was used not to develop the enterprise, and not to implement the social program, but to patch up holes, to assure elementary survival. It is necessary to be realistic and understand that if, in the near future, we do not build at the combine cold-rolling and hot-rolling mills No. 2000, if we do not renew all of production, we will not be able to withstand the competition with the West. And then, alongside of the Snickers and Mars Bars, metal from Europe will come to Russia's domestic market.

The state has allocated to us 11 billion rubles to complete hot-rolling mill No. 2000. We have been promised assistance in shifting the deadlines for paying part of our taxes and a reduction in the customs duties on the bringing in of imported equipment... In a word, the appropriate document concerning our metallurgical combine is being prepared in Moscow.

Of course this is gratifying. But the same problems of nonpayments, remodeling, and excessive taxes also confront the metallurgists of Chelyabinsk, Zlatoust, and

Asha, and the miners and machine-builders. Consequently, it is necessary to resolve them in a state manner, rather than on an individual basis, with everyone taking his own chances of being successful.

[Kormiltsev] You have mentioned Western investments. Much has already been said about this in the press. Somehow it looks as though the West is in no hurry to pull Russia out of its economic blind alley.

[Starikov] Once again, everything is not so simple. I feel that at the conference that, to state it outright, was very important for us and that was organized at our combine by the Moscow delegation, there were also shifts in this direction. Foreign companies have their own well worked-out methods for investing capital. Some of them are in no hurry to invest their funds not only because the political situation in our country still seems to them to be insufficiently stable, but also because they need clear-cut guarantees that have been well known for a long time in the West. For example, it is necessary to give 25 percent of the shares to foreign investors. Naturally, our economic managers immediately begin to think deeply about this. There appears the fear that if foreign businessmen receive the controlling block of shares, domestic industry will be threatened by complete failure, all the social and ecological programs will be discontinued, etc. But take, for example, the Tulachermet joint-stock company. They have already sold a rather large number of shares in their daughter enterprises to foreign investors, and the people at the plant only won from this.

Incidentally, recently the president of a certain major international company, speaking on behalf of an authoritative foreign expert commission that had been studying the combine's work, made a proposal concerning the sale to the company of a block of our shares. I shall state outright that that was not particularly to the liking of all of my associates. But I think that it is time for us to make bolder use of the foreign experience of privatizing major companies and enterprises. If there are investments, the renovation will occur more rapidly. Because, thank God, the metallurgists at Magnitka have always known how to work.

#### **Northern Navigation Delays Leave Norilsk, Taymyr Unsupplied**

94PS01284 Moscow RABOCHAYA TRIBUNA  
in Russian 15 Apr 94 p 2

[Own information report: "In the Extreme North They Are in 'Dire Straits'"]

[Text] The regular session of the Russian Federation government commission on operational questions proceeded under the sign of modern market terminology and at the same time under the clearly marked striving for increased government responsibility for all the matters being reviewed. Of course, such a mixture of styles is apt to lead to some sort of languor in the ranks of the officials. However, the censor-like vigilance of the adherents to slogans as clear as the eyes of youth has recently become dull. The main reason for this is the lack of brilliant victories in the lightening-speed reformation of

sluggish Mother Russia. It has already turned out like this for us: The slower the harnessing the faster we go. Although one will not speak about the speed of providing food products, let's say, to the Norilsk industrial region or the Taymyr (Dolgana-Nenets) autonomous okrug.

The essence of the question being reviewed is such: The navigational delivery of goods and resources, including food, petroleum products and vital necessities required for the population of the above mentioned territories was always clearly worked out in the most general terms by the middle of April. But that was before. It was carried out by the state Norilsk Nickel concern which has all the necessary means for this work.

But not today. The Norilsk Mining and Metallurgical Combine, producing half of the world's platinum and tens and hundreds of thousands of tons of nickel, cobalt and other expensive metals on the world market, has itself fallen into the financial abyss. And because of the state they were in, in connection with this as of 1 April accumulation of freight at the transshipment ports had practically not been carried out. The breakdown of navigational deliveries will lead to a sharp worsening of social tensions in the most important region of the extreme North with a population of more than 350,000 people, as well as to significant losses for the country's economy due to a reduction in the amount of valuable and nonferrous metals.

The opinions of high members of the Commission regarding the amounts of state financial support for delivering food products and goods to the regions of the extreme North are divided. According to a preliminary agreements it was decided in favor of the following figures: to allocate 500 billion rubles to the combine for freight deliveries for the current quarter and to provide for allocation of funds for the third quarter within the limits of 800 billion rubles.

During the break I asked A. Filatov for his impression of the discussion. Anatoliy Vasilyevich diplomatically avoided a direct answer: "The question will be finally resolved on Friday. Let's talk then."

Today is Friday. As trusted sources from the government institutions informed us, the question has been practically resolved. It is necessary to feed the people... We congratulate everyone for this.

#### **INTERNATIONAL AFFAIRS**

##### **Serbs' Use of Russia for Own Ends Claimed**

94Q03204 Moscow SEGODNYA in Russian 19 Apr 94 p 1

[Article by Pavel Felgengauer: "Balkanization of History"]

[Text] The Balkans are an unfortunate region for Russia. Peter's Prut campaign, the Crimean War, the war of 1878 and the subsequent Congress of Berlin—in hardly

any other region have the Russian military and diplomats experienced such humiliation and failures. Nonetheless, Russia intervened time after time in the bloody Balkan quarrels in the vain hope that the local Slavs, close both in language and in faith, would appreciate it, would be inspired, and would become for all time a dependable outpost of the empire. But the whole problem is that the Balkans were for Russia merely a military theater: Political and military expansion was never seriously accompanied by economic expansion. The region (Yugoslavia particularly) has always gravitated toward Central Europe, primarily toward Germany. Millions of former Yugoslavs, Serbs included, are working in the FRG today also. The Deutsche mark is the main currency both in Serbia and in Bosnia. It is to it that the "new" Yugoslav dinar is tied.

Slav brethren have always at a difficult moment sought armed assistance in Moscow, and when the storm has abated, they have, perfectly naturally, forgotten about their "great northern brother." In the summer of 1914 Russia emphatically supported Serbia (having begun mobilization of the army) in the diplomatic conflict with Austria-Hungary following the assassination of the Archduke Ferdinand in Sarajevo. In the ensuing world war and the revolution it caused, Russia was devastated, losing, according to certain estimates, up to 10 million killed. And what remained became the USSR. Serbia, on the other hand, as a result of the war enlarged its territory several times over, annexing Bosnia, Croatia, Slovenia, Montenegro, and Vojvodina.

Today the Serbs are once again attempting to draw Russia into their war in the Balkans. The "unprecedented success of Russian diplomacy" in Sarajevo at the end of February was (this is now perfectly obvious) prepared in Belgrade and Pale by no means for reconciliation in earnest in Bosnia. The Serbs, it would seem, are of a mind to fight until they have taken all the surrounded Muslim cities (Sarajevo included). And several hundred of our airborne forces have found themselves in Sarajevo simultaneously hostages of Russia's future behavior in the region (totally dependent on the mood of local field commanders) and, on top of that, a live shield against possible NATO bombing raids.

When the Serbian tanks tore into Gorazde, all the same (during the latest armistice negotiations), Mr. Churkin threw up his hands—"he had, alas, been deceived." In which there is, of course, no particular perfidy—the internationally isolated Serbs have no other solution. It was, after all, the Russian Ministry of Foreign Affairs (not the Serbs) that should have done everything possible to prevent Russia's involvement in the war, having concentrated its efforts instead in republics in which the ruble, not the Deutsche mark, is the main currency. There are, for that matter, no dazzling conditions for "unprecedented successes" in the "near abroad."

The lessons of history have yet to teach anyone anything. Last night a new contingent of crack Russian airborne

forces flew to the former Yugoslavia to show that Russia is still a world power with global interests.

#### **Russia's Diplomatic Efforts in Middle East Assessed**

944Q0321A Moscow *OBSHICHAYA GAZETA* in Russian  
No 15, 15-21 Apr 94 p 4

[Article by Irina Zvyagelskaya, vice president of the Russian Center for Strategic and International Studies: "Russia's Diplomatic Style in the Middle East"]

[Text] **The visits to Moscow by PLO Chairman Yasir Arafat and Israeli Prime Minister Yitzhak Rabin testify not only to the possibility of new steps toward settlement of Palestinian-Israeli relations and the Arab-Israeli conflict as a whole, but also to Russia's choice of a new line of action in the Middle Eastern area.**

Russia inherited the role of cosponsor of the Middle East conference from the disintegrated USSR. It was inherited under conditions where Russia, running up against economic hardships, not possessing the military potential of the former great power, and having received numerous conflicts in the former Soviet republics, was scarcely able to permit itself to follow an active policy in a region which was sinking ever lower on the scale of foreign political priorities.

As a result a very strange situation emerged: formally Russia had certain obligations resulting from its status and related to settlement of the conflict, but at the same time it had practically no approaches of its own to the problem. Russian policy was realized within the framework of a kind of "Siamese twins" notion, spoken of by minister of foreign affairs A. Kozyrev in an interview with *KOMSOMOLSKAYA PRAVDA* on 9 April 1994. This merging with the American position (not only in ends, which was justified, but also as to means) undermined the traditional influence of Russia in the Middle East. The willingness to transfer all the worries of a settlement to the United States, which really did have great capabilities, in no way fit with the obvious fact that Russian interests in the Middle East are not identical with American interests, although they can coincide in part.

Let me recall in this connection the role of the USSR in the period of the Iraqi aggression against Kuwait. Soviet diplomacy of that time supported the U.N. Security Council decisions that envisioned stopping aggression, using military force against Iraq (if it did not withdraw its troops), establishment of the embargo, and so on, but still it operated with its own means. The USSR even resorted to a certain worsening of relations with the United States, which unequivocally favored military force, but it kept its image of a power with its own political personality and view of the situation.

The merging with American policy deprived Russia of those advantages which it could have drawn from the ideological reorientation. It is well-known that many Arab regimes who viewed the spread of communism as a

direct threat to their existence were inclined to development of closer relations with Russia, which had rejected communism as its official ideology. The Middle Eastern scheme of international relations has always been built on balance. The cessation of the "cold war" and removal of the region from the sphere of the Soviet-American standoff, which were received favorably in the Middle East, did not mean that the states located there were ready to accept, in place of the two rival forces, some ugly and unnatural hybrid which would deprive them of the freedom of political maneuver. Notions of undivided U.S. dominance became widespread in the Middle East, replacing the former bipolar structure.

Russian participation in settlement of the conflict remained a formality and this made it more difficult to work out the system of its own interests in the Middle East and their relationship with other foreign policy priorities. A pause in determination of national interests was probably inevitable because Russia had entered a role that was new to it as an independent subject of international relations. It could not help preserving a certain genetic link with the former great power, of which it was a fragment. The duality lying in the very history of the appearance of contemporary Russia in the international arena was reflected in all its political behavior. The natural desire to occupy a worthy place in the world was extinguished by fears that it would be accused of a rebirth of imperial ideas inherited from the USSR. Moreover, the internal political ratio of forces (the predominance of advocates of a complete rejection of the old Soviet policy) led to distortions. Unjustified hostility to any U. S. actions was replaced with equally unjustified "Siamese twinning."

Succession and new elements of foreign policy were most closely intertwined for Russia in the question of a Middle East settlement. The USSR, whose peace initiatives were by no means always realistic and often were mere words, consistently called for an international conference on the Middle East and for participation by the Palestine Liberation Organization in the peace talks. It took significant changes in the international and regional arenas (the Palestinian uprising in the occupied territories, the crisis in the Persian Gulf, and Egypt's intermediary role) to bring these appeals to practical realization. The Madrid process, which began in October 1991, opened the doors to both multilateral and bilateral talks among participants in the conflict. The coming to power of government of the Avoda [translation unknown] socialist party reordered the focuses in Middle East settlement. Emotions gave way to greater pragmatism.

In the system of talks Russia was an honorary cochairman, able to approve agreements that were reached but unable to do anything significant to prepare them or put them into effect. The Palestinians and Israel began to conduct their own game, calling on the United States when necessary and seeming to forget about Russia's existence. This was demonstrated in the Oslo meeting in August 1993 where the PLO and Israel agreed to institute autonomy in Gaza and Jericho, and in

September 1993 in Washington where they signed the agreement. By itself the agreement, with all its unquestioned importance, could not signify a smooth transition to Palestinian self-government. Bloody tragedies continued and continue to be played out in the occupied territories. The crime in Hebron where an Israeli settler shot praying Palestinians in a mosque put the whole peace process in danger.

In this situation Russia has a special responsibility. The Middle East, which for it has become the "far" abroad, still preserves its special strategic, political, and economic significance. After the events in Hebron Russian diplomacy was able, using its ties with the PLO and the current level of relations with Israel, to prevent a breakoff of the talks. V. Posuvalyuk, a special representative of the RF President, was sent to the Middle East, followed by deputy minister of foreign affairs Yu. Ivanov and minister A. Kozyrev himself. Talks between the Palestinians and Israel were renewed in Cairo. The visits of Arafat and Rabin to Moscow will obviously help consolidate what has been achieved and, despite all the difficulties, strengthen mutual understanding.

At the same time Russo-Syrian and Russo-Jordanian contacts, an important element in the settlement, have broadened.

The talks are continuing in essentially the "Washington format." Russia's activism, including its proposal to call a second Madrid conference, did not arouse enthusiasm in Washington. It is not just a matter of different approaches to settlement. The steps by Russian diplomacy were perceived in Washington, which has already begun to become accustomed to close partnership, as an affirmation of Russia's desire to distance itself from American policy and receive political dividends for its own initiatives.

In actuality a normal process is underway. Russia is developing its own diplomatic style in the Middle East, trying to introduce a contribution that fits its national interests into the resolution of this protracted conflict.

#### Duma Subcommittee Chairman Ponders PFP Terms

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in Russian 7 Apr 94 p 5

[Article by Vyacheslav Nikonov, chairman of the Subcommittee for International Security and Arms Control of the State Duma of the Russian Federation: "Partnership for Peace: Agenda for the Federal Assembly"]

[Text] Deputies of both houses of the Federal Assembly learned of the decision of Russia's executive authorities to affiliate with NATO's Partnership for Peace (PFP) program from the newspapers. This fact is a very graphic demonstration of the present role of the supreme legislative body of the Russian Federation in the foreign policy decisionmaking process.

An abnormal situation, to be blunt. And it is dictated not only by the new constitution, which quite effectively sidelines the legislators from the formulation of foreign policy. The obvious short-sightedness of our foreign policy establishment explained by the less than most felicitous experience of interaction with the former Supreme Soviet and a certain wariness in respect to the new corps of deputies may be traced behind this trend also. The short-sightedness amounts to the fact that even with the current constitution, the influence of parliament is potentially quite considerable: adoption of the budget, items geared to the foreign policy activity of the Russian Federation included; ratification of international treaties and agreements (more than 100 of them are to be approved by the Federal Assembly); the adoption of laws, those regulating the implementation of domestic and foreign policy included; the possibility of a wide-ranging appeal to domestic and world public opinion. Considering this, it has to be concluded that the noninvolvement of the Federal Assembly in the overall foreign policy mechanism could threaten the very foundations of the policy of the Russian Federation in the world arena, which, as we all know, begins at home. In addition, foreign policy can only be consistent and effective when it is based on a certain consensus within the country. And it is hard to count on this when the representative authority is notified post factum. Yes, the Federal Assembly is heterogeneous, and forces with different views on international problems, differing at times from those of the government, are represented in it. But it is just as much a reality as the government, and it is impossible to hope for a rapprochement of views while adopting an ostrich-like position.

Parliament's isolation from the formulation of the Partnership for Peace decision was a reason for the very tumultuous debate on this problem in the State Duma, which induced a number of experts to begin talking about the conception of contradictions of the two authorities in the foreign policy sphere. The PFP problem is, indeed, a complex one. And the position of the members of parliament is dictated by no means only by ideological predilections but also by the obvious lack of knowledgeability, the lack of clarity on many essential details (for me included), and the equivocal nature of the assessments of the program in the news media.

NEZAVISIMAYA GAZETA has as of late repeatedly addressed, directly or indirectly, the Partnership problem, having published articles by V. Chernov, D. Yevstafyev, V. Katin, and A. Migranyan (NEZAVISIMAYA GAZETA for 23 February, 25 February, and 15 March 1994). They, as many other publications also, contain entirely cogent criticism of the PFP and proof of its unsuitability for Russia, which cannot simply be brushed aside. On the other hand, official announcements of the Ministry of Foreign Affairs and Ministry of Defense of the Russian Federation contain outright panegyrics to the program without the least attempt to investigate the essence of the arguments of its opponents or to respond to them. A debate, in which alone can the

truth be born, as, equally, a foreign policy course acceptable to the majority, has not eventuated.

I shall try to fill in this gap somewhat, summarize and weigh the arguments "for" and "against," and offer the Federal Assembly and the executive certain conclusions.

I

For the opponents of the Partnership for Peace program the starting point is the negative evaluation of NATO and its role in the modern world. They see no satisfactory answers to the question concerning the reasons for its preservation following the end of the cold war. The opinion of NATO merely as an instrument for securing an American military presence in Europe, in which Russia is interested least of all, is widely held. NATO was created as a global organization for containing communism, and even recently, when it has been confronted mainly with tasks of crisis management, it has, in fact, changed little in its doctrines, focus of operational troop training, and so forth. The distrust of NATO, which lurks far from just in the minds of certain politicians and specialists, but which is also deeply rooted in the public consciousness, is being carried over also to the Partnership, which is, not without reason, being seen as a form of the phased expansion of NATO.

Of course, we cannot hope to alter many people's suspicion of NATO overnight, especially since it is not based on sand. But remaining in the soil of reality, not dreams beyond the clouds, we cannot fail to note the strength of the arguments of the supporters of the preservation of NATO, primarily in the West. The North Atlantic bloc exists because the ruling circles of all its constituent countries (and of many that are not such), convinced of its usefulness on the basis of the experience of postwar development, which has made it possible, in their opinion, to secure the longest period of peaceful development in Europe's history, have an interest in this. It may be argued what NATO's actual role in this was, but political leaders and the majority of the populace in the West are reluctant to take a risk, destroying a structure of the need for which they are certain. As we are unwilling to conclusively bring down the CIS, whoever might desire this, NATO will exist and will have its own interests, which do not in all things coincide with Russian interests, and there is no getting away from this. Russia cannot force NATO to dissolve itself, and the more stridently it seeks this, flexing its muscles, the more arguments there will be for the supporters of a strengthening of Atlantic solidarity.

But is it advisable for Russia to join the Partnership for Peace, as a kind of NATO locker room, which would be seen as a Russian "go-ahead" for the geographical expansion of its sphere of influence? The opponents of the PFP rightly observe that the arguments of the East European countries seeking via the Partnership a strengthening of their security in an explosive region and guarantees of their sovereignty and territorial integrity are absolutely unacceptable to Russia. The Russian Federation has no

enemies from whom it could be protected by NATO, as, equally, the problem of securing the country's independence with the aid of outside forces is a non-issue. We cannot seriously see as the point of the PFP Russia's protection against the territorial claims of certain Baltic states. If, on the other hand, what is meant is NATO's assistance in the security of Russia's southern and Far East borders, the North Atlantic Treaty Organization would never assume such commitments. In addition, the affiliation of the Russian Federation and the Central Asian republics to the Partnership could be perceived by China as the approach of NATO right to its borders and could signify a complication of relations with Beijing. The PFP completely disregards the Chinese factor. The interest in the Partnership on the part of NATO is understandable also. In the opinion of some of our experts, this is not only an argument for the geographical expansion of the North Atlantic bloc but also an opportunity to wait out the development of events in Russia and, depending on their outcome, to create either a system opposed to it or a system incorporating the Russian Federation.

There is also talk about a certain perfidy of the West, which is endeavoring with the aid of the PFP to fill the vacuum that formed in East and Central Europe following Russia's abandonment of the "Brezhnev doctrine," the withdrawal from there of Russian troops, the disbandment of the Warsaw Pact, and the Russian Federation's consent to the unification of Germany. The nonexpansion of NATO was a condition of a number of unilateral Russian steps.

#### But what does Russia need the Partnership for?

An answer to this question is, indeed, hard to find if we proceed from the interests of the prevention of direct and indirect threats to Russia's security. Although here also it may be said that Russia has an interest in NATO responsibility for the stability of borders in East Europe, where there are potentially a multitude of destabilizing focal points capable of creating a threat to the Russian Federation and its citizens. The answer should, rather, be sought from the rule of contraries: What would Russia get from nonparticipation in the Partnership program from the viewpoint of its overall geopolitical positions?

The idea of the PFP was born, as we know, as a result of the insistent demands of a number of East European countries for their direct membership of NATO. Not ready to receive them and encountering the negative reaction of Russia, Western leaders moved toward the formulation of a compromise, of which the Partnership proposal was the result. That is, it remains a fact that the question of the expansion of NATO was placed and continues to be placed on the agenda, primarily by the governments of East European states which have for this a stable public consensus within their countries. Membership of NATO and the PFP, as a step toward membership, is for them a symbol of the return to Europe and a reflection of the deeply rooted fears (it is pointless now saying to what extent they are justified) in respect to

their powerful eastern neighbor. And the degree of attraction to NATO is not connected with the ideological particularities of this government or the other, what is more: The most assertiveness is being displayed by Lithuania and Poland, where former communists, in fact, are in power. The problems of NATO's expansion via the PFP will be resolved not by a "vacuum" but by specific countries of East Europe, the influence of Russia on which has diminished unswervingly in recent years. Were the Russian Federation to refrain from participation in the PFP, East Europe would not, for all that, follow its example.

Thus whether the Partnership is realized or not will not depend on Russia's position. It will be realized. Whether it exists with Russia or without it will depend on us. If without, it is highly likely that this will, indeed, be a partnership against Russia. Participating in the program, we could influence its realization. Not doing so, the Russian Federation would forfeit every opportunity for this and would achieve nothing other than splendid self-isolation from the rest of Europe. Counting on a development of Russian policy on the southern and eastern azimuths is unrealistic, to say the least, considering, in particular, that countries of the European continent account for half of Russia's foreign trade turnover and the lion's share of the overseas capital investments coming to us.

At the same time, not affiliating with the Partnership, the Russian Federation would be cutting off for itself the possibility of the achievement of a number of geopolitical goals of considerable importance:

postponing the question of the immediate expansion of the NATO bloc and deciding on a compromise formula, influencing its further realization;

strengthening military-political cooperation along East-West lines;

enabling countries of West and East Europe to feel more secure, which would help beat down the "post-Zhirinovskiy" wave of anti-Russian sentiment there;

undertaking in earnest for the first time a surmounting of the civilization barrier between East and West and contributing to Russia's integration in the world community.

#### II

A large place in the discussion of Partnership problems is occupied by questions of the equality of the partners and of Russia's participation in this program on a par with the leading Western countries, not only with Lithuania or Romania. Truly, the Partnership program specifies the equal status of the newly admitted participants, but not the equality of the latter and the NATO graybeards. Having let slip the initiative of the creation of the PFP, Russia let through ahead of it several of what are not the greatest East European states and has now found itself standing in a long line for membership of this program.

If the Partnership is regarded as NATO's backup team, should Russia be playing for it when, on the one hand, it is in terms of its playing possibilities good enough for the main team and, on the other, it is still not a fact that it will be accepted by this main team. It should be agreed that there is a large proportion of truth in all these arguments.

Russia, truly, is not an ordinary "partner." It is the sole potential participant in the PFP which possesses nuclear weapons and which has, in addition, most powerful army and naval forces and immense scientific and technological potential. There is a multitude of organizations in the world, from the United Nations through the International Monetary Fund, which make provision for the special status of the most influential states. Take if only the UN Security Council. Unfortunately, Washington and Brussels did not take Russia's concern at this problem into account. Our diplomats also, most likely, were in too much of a hurry to agree to the lack of special status for Russia, particularly considering the information, which NEZAVISIMAYA GAZETA has reported also (15 March 1994), concerning the readiness of NATO Headquarters and the capitals of the bloc's leading powers to make a curtsy in Moscow's direction on this matter.

A serious opportunity for full-fledged partnership was also let slip right at the outset, when the program was proposed on behalf of NATO. Partnership as an initiative emanating jointly from the United States and Russia and addressed simultaneously to the countries of the North Atlantic bloc and East Europe would undoubtedly have suited us.

The question of the prospect of Russia's membership of NATO is far from having been decided. As Andranik Migranyan observed, "were Russia to immediately become a full member of NATO, and this organization became a universal structure ensuring security in Europe, only a madman would not support such a development of events." The West's consent to Russia's membership of NATO cannot be ruled out, but this only in the long term. At hearings in the Foreign Relations Committee in the U.S. Senate on 23 March, Assistant Secretary of State S. Talbott declared that this could happen "when many other things have happened." Such wording does not, I believe, need any translation from diplomatic into normal language.

Problems of Russia's participation in the leadership of the PFP and the mechanism of the formulation of decisions within its framework still remain to be clarified. Will the decisions be adopted by a consensus of all the participants or will this prove to be the prerogative of NATO? It is perfectly obvious that the latter would be simply unacceptable to Russia, especially when we have before us the recent graphic example of the NATO Bosnia bombing decision, which was not coordinated with the Russian Federation and which was contrary to its position.

Experts cite one further problem in this connection—peacekeeping operations within the Partnership framework and joint maneuvers of the participants to perfect them, in East Europe included. The uncertainties here are connected with whether NATO intends to take account of Moscow's opinion or not when planning the forms, timeframe, scale, and geography of such maneuvers. If not, a threat to stability in East Europe could arise.

But despite all the complexity of the questions concerning the role, status, and influence of Russia in the PFP, the possibility in principle of their relatively acceptable solution cannot be ruled out either. As we know, a universal Partnership formula does not exist. Each country will draw up an individual plan of its participation, which should take account of its interest in this aspect of cooperation or other and its actual possibilities. The members of parliament did not have a chance to familiarize themselves with the draft of this plan. But if this document stipulates specific and particular forms of Russia's participation not in the program itself but also in its leadership and in joint planning, the problem of status could largely be resolved. Ultimately Russia's actual role will be determined by its actual military and economic power, which is many times greater than the indicators of Lithuania or Ukraine even.

### III

Pointing to the undesirability of NATO's territorial expansion as an instrument for securing primarily American influence, the opponents of the Partnership propose that this be counterposed by a strengthening of cooperation within the framework of European and more neutral structures. In his message to the Federal Assembly the president of the Russian Federation proposed the use as a leading instrument of the shaping of a new system of military-political partnership not of NATO at all but of the North Atlantic Cooperation Council (NACC), which could coordinate the activity of regional organizations—NATO, the Western European Union (WEU), and the CIS. Boris Yeltsin also noted the expediency of the countries of Central Europe being accorded long-term guarantees on the part of Russia and NATO, which would become utterly meaningless following realization of the Partnership.

But counterposing European to transatlantic security structures is not compulsory, in my view. A strict tie to NATO is possible only in the event of the Partnership being the sole program of military-political cooperation in Europe. But I do not believe that such a formulation of the issue would suit Russia or the majority of European countries either. Consequently, the Partnership should be supplemented by efforts for the creation of additional instruments of security and cooperation in Europe—via a strengthening of Russian ties to the WEU, a corresponding expansion of the mandate of the CSC, and so forth. The Partnership, which is not without problems for us as the sole program, would prove more

acceptable as one of many contributing to the maintenance of peace and stability in the Euro-Atlantic space.

Publications on the PFP have paid little attention to one further problem which is, from my viewpoint, of considerable significance in a solution of the question of Russia's affiliation to it: What is the degree of consensus in respect to the Partnership and the Russian Federation's participation in it in the Western countries themselves? Is it not the expression of the position of a certain stratum of elites which could change with a change in political winds, which would altogether undermine the program's prospects? It should be noted that the PFP has, truly, very many opponents in the West. And criticism is being heard from both the conservative and the liberal camps, what is more. The position of the first is clearly formulated in a recent article by Henry Kissinger in THE WASHINGTON POST, in which he wrote, in part: "It (the PFP) equates the victims of Soviet and Russian imperialism with the imperialists themselves and accords the Central Asian republics bordering Afghanistan the same status as Poland, which has been the victim of four divisions with the participation of Russia and which has served as a route via which Russia has historically invaded Europe." Liberals, however, on the contrary, see no great value in the existence of NATO under modern conditions and would prefer that it operate in an unenlarged composition and that security in the Old World be secured by way of a deepening of the all-European process.

Agreement to Russia's participation in the PFP in Western capitals is of a far from unconditional nature and reflects a certain compromise in their ruling circles and is supported grudgingly by the "silent majority" of politicians, who would prefer to see the Russian Federation outside of NATO structures. But does this mean that Russia should wait for the moment when it ceases to be summoned to the Partnership (which could happen quite soon) and the problem is resolved of its own accord? The opposite, I am sure: Russia should not let slip the integrative opportunity it has been afforded. When doors are slammed shut for it in the Partnership, they will also close, I fear, in many other European and international organizations which our country would like to enter. Entering them would be far more difficult, in any event.

#### IV

The PFP evokes serious misgivings among the participants in closer rapprochement of the CIS countries. The Partnership would be realized on an individual basis with each state, regardless of its membership in this organization or the other. Russia, individually, Belarus, individually. The concern as to how in this situation account would be taken of the interests of the CIS as a separate organization and of the existence within its framework of the collective security system is appropriate. Crudely put, would the Partnership not pilfer the Commonwealth of Independent States?

On the one hand the answer to this question will depend primarily on the CIS countries themselves, on their desire to move toward a closer alliance with one another. The individual membership of NATO of some and the nonparticipation of others did not, after all, prevent the states of West Europe from creating the European Community, where the level and dynamics of integrative processes are superior to the corresponding trends in the CIS. On the other, the affiliation of countries of the Commonwealth to the Partnership has already begun—Georgia and Ukraine. If Russia has no real levers for influencing the decision of this former Union republic or the other concerning membership of the PFP (as would appear to be the case now), its own nonparticipation would threaten it with self-isolation not only from East Europe but from the CIS also, which would do the CIS irreparable damage. If, on the other hand, we proceed from the presence of such levers (the factors of economic, financial, and energy dependence), preventing a negative development of events for the CIS, having harmonized among all its members the common principles of affiliation to the Partnership which do not jeopardize the Commonwealth's system of collective security, should constitute no difficulty for Russia.

#### V

Finally, the last bloc of problems, connected with the domestic political consequences of Russia's affiliation to the Partnership.

Unfortunately, our country has never had a tradition of the implementation of foreign policy with regard to the frame of mind of society and the opinions of the opposition (which, for the most part, has not existed either). And, following the emergence of political pluralism, this tradition has had quite an excruciating birth. I have no information about or sense of the adoption of the decision on participation in the PFP having been preceded by soundings of public opinion or evaluations of the possible reaction of the main political groups and the short-term and long-term influence of affiliation to the Partnership on the alignment of political forces or of the formulation of a set of measures to explain the essence of the program to the public. At the same time, I fear that Russian public opinion and the politicians are far from a consensus on the question of the PFP and that a purely apical decision on membership, on not the most advantageous terms particularly, could add to the antireform forces' arguments in their charges against the government of another national humiliation. If the president, the Foreign Ministry, and Ministry of Defense really consider the Partnership acceptable for Russia, they should be devoting far more attention to a justification of their position than they are at present. Otherwise this most important foreign policy action could introduce a serious split in society and weaken the positions of these state institutions themselves.

I am also unfamiliar with serious estimates of the cost of Russia's participation in the PFP. Foreign policy is not free. The Partnership specifies that the main expenditure

shall be borne by the countries that have signed the agreement themselves. With the present strained situation as regards the state budget, the question of the actual amounts would seem far from idle, and the Federal Assembly could hardly formulate its position without an answer to it.

Responses to the arguments of its opponents concerning the negative impact of the PFP on the domestic military-industrial complex as a result of realization of the demands that the participants in the Partnership adapt to the military standards of NATO would be of great significance for an evaluation of the program. In this case, the former say, the markets of the East European countries would be closed to Russia's arms manufacturers, which would make the situation in our military-industrial complex even worse.

Truly, "standardization" is a central problem. As far as I know, it is a question of standards of military planning, not official NATO standards regarding specific types of arms, especially since in the North Atlantic bloc itself the standardization of arms remains an unattainable goal. But, in any event, the question of the future of Russian arms exports in connection with affiliation to the Partnership should be clarified unequivocally by the departments concerned. It would be unacceptable to Russia were the PFP to force it to restructure its own military production, to purchase arms in the West even more.

## VI

Proceeding from all that has been said above, the following basic conclusions may be drawn.

The Partnership for Peace is a far from impeccable program and in many of its parameters it does not entirely correspond to Russia's national interests. But our country does not have a practical possibility of preventing its realization. The Russian Federation's nonparticipation in the Partnership would threaten it with serious isolation in the international arena and with a narrowing of the possibilities of influencing the process of the formation of a new Euro-Atlantic space. It is my belief that the negative geopolitical consequences of Russia's estrangement from the PFP are more appreciable than the consequences of its affiliation to the program. It is from this, first and foremost, that the chambers of the Federal Assembly should proceed when formulating their approaches to the Partnership. The Federal Assembly should, on the whole, support Russia's participation.

But the adoption of a final decision will be possible after certain conditions have been met and a number of positions explained:

1. The Federal Assembly should have an opportunity to closely study the draft program of the Russian Federation's participation in the Partnership.
2. This program should make provision for questions of the parties' specific obligations and Russia's participation in the process of the formulation and adoption of decisions at the level of the PFP leadership in respect to all its possible actions, peacekeeping operations included. The adoption of decisions within the Partnership framework via the NATO mechanism is hardly acceptable for Russia. We are interested in equal partnership with elements of special status.
3. The Partnership must not determine standards of the arms of the participants.
4. Expenditure on Russia's participation in the PFP must be entered as a separate line in the federal budget and approved by the Federal Assembly.
5. In connection with possible affiliation to the Partnership the president and Ministry of Foreign Affairs and Ministry of Defense of the Russian Federation should take decisive steps to harmonize questions of the participation therein of CIS countries, stimulate efforts geared to a strengthening of ties to the WEU and an expansion of military cooperation within the CSCE framework, and increase contacts with the Asia-Pacific region for the creation there of a separate system of collective security. The Partnership for Peace should not be the sole instrument of the assurance of military security in Europe and throughout the Northern hemisphere.
6. An agreement on Russia's membership of the Partnership must specify its ratification by the Federal Assembly.

There remains, of course, one further question: Will the government take account of parliament's opinion?

Since it is of a mind to participate in the Partnership for Peace, the executive has two main paths of advancing this idea. The **first** is to subscribe to it, having ignored the external legislative authority. Technically this is possible, if the PFP is presented as an international program, not an agreement requiring ratification. But such a path could hardly be deemed correct politically, considering the need for subsequent approval for the financing of the program and the possibility of the legislators creating an extremely unfavorable reputation for the Partnership in public opinion. The **second path**—more complex, but more promising also—is to attempt to persuade both the Federal Assembly and the citizens of Russia of the correctness of one's position.

### Problems Remain Despite Lifting of COCOM Restrictions

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2 Apr 94 p 1

[Article by Natalya Kalashnikova: "The West Lifts Cold War Restrictions: COCOM Is Dead, but Its Cause Lives On"]

[Text] COCOM was established in 1949 at U.S. initiative for the purpose of restricting exports of the latest technologies, in particular military technology, to socialist countries, and was based on three lists: arms, nuclear equipment and materials, and industry (i.e. dual-purpose technologies). In 1991 the industrial list was replaced by a "Core List" containing nine sections: electronics, materials processing, advanced materials, telecommunication and navigational equipment, data security devices, sensors and lasers, marine vessels and equipment, and engines. In July 1992 restrictions on telecommunications equipment were eased, as were restrictions on computer exports in October 1993. With the dissolution of COCOM all restrictions should now be lifted.

As of yesterday COCOM may be considered officially defunct. That means that more than 300 various restrictions have been lifted with regard to Russia alone. Specifically, the White House announced that as of Monday it will allow computers capable of performing 1,000 million theoretical operations per second (roughly 100 times less powerful than the most modern supercomputers) to be exported to Russia. This kind of "concession" holds out to Americans the promise of expansion of their potential market by \$1.3 billion in the field of computer exports and another \$15 billion in the telecommunications field. But problems still remain for Russia.

Back in October of last year Secretary of State Warren Christopher put it this way. "The greater portion of export-import architecture rests on an outdated Cold War foundation. It is clear that the time has come to rebuild it." That rebuilding began with little delay. On 6 November 1993 the NATO countries plus Australia and Japan conferred and agreed in principle to remove the cornerstone of that foundation—COCOM. And by 17 November COCOM was already sentenced to die.

The money-conscious Americans long ago calculated that if all restrictions on exports to Russia and China were not lifted by the end of the 1990's the losses to U.S. companies would be as much as \$250 million annually, with as many as 5,000 new unemployed joining the soup lines each year. Bill Clinton first referred to his intention of lifting COCOM restrictions at a meeting with Boris Yeltsin in Vancouver last year. That comment soon grew into the "New U.S. Export Doctrine," and specifically to the call therein for an easing of export restrictions on computer equipment, including exports to Russia. Exporters had complained that under new geopolitical conditions the COCOM restrictions were like a sieve anyway and did the most harm to exporters. It was not

surprising that probably the most active proponent of eliminating this favorite child of the Cold War was the National Association of U.S. Industrialists. Resilient COCOM retreated but did not surrender, immediately agreeing to lift restrictions on the exports of computers to Russia and China with a capability of 67 million theoretical operations per second (MTOS). It also allowed exports of more powerful computers: up to 100 MTOS "on a discretionary basis" and up to 194 MTOS "by agreement with COCOM."

But for fairness' sake it should be noted that the COCOM cause is alive and triumphant. Firstly, the former members of COCOM intend to replace the defunct committee with a body of a fundamentally different political orientation and composition. It will deal with multilateral coordination of control over the proliferation of high technology. They also intend to invite Finland, Sweden, Austria, Ireland, New Zealand and Hong Kong, as well as Russia and China, to join what was formerly virtually an all-NATO structure. Countries that have been found to have used or are suspected of using imported high-tech equipment for military purposes—Iran, Iraq, North Korea and Libya—will be left out for now. They are the ones that are going to be monitored. Incidentally, this blacklist, along with the list of members in the "new COCOM," remains open.

Secondly, it is still too soon to drink a toast to the lifting of trade restrictions against Russia. Specifically, during recent meetings in Moscow the attention of U.S. Secretary of Trade Ron Brown was repeatedly directed to the existence of the long-outdated and discriminatory Jackson-Vanik Amendment. Nor is the situation any better with regard to trade with other former COCOM members. Boris Yeltsin threatened Brown with bringing up the issue of lifting restrictions against Russia at this summer's G-7 summit in Naples. So even though the last hatchet of the Cold War may have been buried, Russia still has something to fight for.

### Russian Bank Plans To Open in U.S.

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[Article by Yuriy Khnychkin and Yuriy Katsman: "The First 'Russian' Bank Opens in the United States: There Will Be Banks for Russians in America and Europe"]

[Text] Today in many countries around the world one finds "Arab," "Japanese" and "Chinese" banks—i.e. financial institutions that serve their own national clientele exclusively. Soon Russian citizens will also have the chance to make transactions on the international financial market through "their" banks. Yesterday Washington was the site of a meeting of a committee formed to establish a new international network of banks to serve the needs of Russian entrepreneurs for high-quality banking services abroad. There are plans to open the first "Russian" bank in the United States this year.

The idea of establishing a network of "Russian" banks abroad was put forward by Aleksandr Konanykhin, former president of the All-Russian Exchange Bank, who has been in Washington since the widely-publicized scandal that erupted within that bank's highest-level administration the year before last. Taking part in the project along with Mr. Konanykhin are the heads of a number of Russian banks which have not yet been named publicly. The founders refused the services of foreign investors who offered to help finance the program.

On the whole, the idea of establishing a network of "Russian" banks abroad is quite justified. Many Russian entrepreneurs are still unable to find a bank that suits them from the standpoints of quality of service and reliability. For a number of reasons (the unpredictable political situation, the high crime rate, and a certain mistrust of banks) it has been extremely difficult to find the desired combination of qualities in Russia. As for foreign banks, they are clearly not eager to work with Russian clients. Among the serious obstacles to the establishment of stable partnerships between a Russian client and a foreign bank are differences in business standards and the language barrier. On the other hand, the return on deposits offered by foreign banks (in the United States or Switzerland, for example) as a rule does not exceed 4-6 percent annually. Furthermore, Russian companies are often unable to manage their funds abroad efficiently.

The new banking network, establishment of which will begin with the United States, England and Switzerland, is intended to solve precisely those problems. Firstly, even though a majority of personnel at the new banks will presumably be comprised of foreign specialists (who have a wealth of experience with banking in their own countries), the personnel who work directly with clients will know Russian. Secondly, Russian customers will be able to manage funds on account with those banks quickly and efficiently. The necessary instructions could be given by phone, telex or fax, and in the entrepreneurs' native language. Thirdly and finally, the new banks intend to offer their customers a relatively high interest rate on accounts (of course, not the same as in Russia—50-60 percent annually—but at least two or three times higher than the world average).

As envisioned by the project's organizers, the operations of "Russian" banks will involve not only depositing Russian companies' fund and managing their assets, but also financing foreign business transactions, participating in investment projects and providing accounting services. Specifically, during the first stage in the operations of the "Russian" bank in the United States, according to Mr. Konanykhin everything possible will be done to help attract Russian investment in the American economy (ownership of property in the United States is one of the essential conditions for obtaining a residence

visa in that country). True, at this point it is unclear how Russian monetary oversight agencies will feel about the appearance of a new channel for capital flight from Russia.

#### Russian-American Oil, Gas Center To Open in Tyumen

944Q0302C Moscow KOMMERSANT-DAILY in Russian  
31 Mar 94 p 11

[Article by Vladimir Knyazev: "Americans To Promote Their Technologies in Russia: Oil and Gas Center Opening in Tyumen"]

[Text] The governments of Russia and the United States attach great importance to international cooperation in the oil and gas industry, as demonstrated by an agreement between Vice-President Albert Gore and Viktor Chernomyrdin to establish a Russian-American oil and gas technology center in Tyumen. The agreement was reached in mid-December 1993 during a visit to Russia by Mr. Gore. Yesterday an American delegation headed by David Pamfry, head of the U.S. Department of Energy's Department of Energy Research, left Tyumen after signing a specific agreement on establishment of the center with oblast administration chief Leonid Roketskiy.

Both sides have an interest in establishing the oil and gas technology center, which should begin operating this summer. Russia needs investment in its oil and gas complex, as well as U.S. equipment and technology. The Americans, according to Mr. Roketskiy, "are forced to resort to 'migrant labor,'" as their oil production is declining due to market forces. According to projections by American sources, in 1994 the United States will shut down approximately 50,000 wells and an equal number will operate below capacity if oil prices remain at the current level of \$14 a barrel.

According to the charter documents drawn up by TyumenNIIGiprogaz [Tyumen State Scientific Research Institute for Gas Industry Planning] the center will collect and collate information, draw up technical and financial plans for the use of Russian technology and equipment in the United States and American technology and equipment in Russia, and carry out joint projects and research in the field of oil and gas production. The U.S. Government has allocated \$400,000 to set up the center, which as a non-commercial organization will have to operate on a cost recovery basis. During negotiations Mr. Roketskiy stated that the center's opening should be noted by a Russian government decree, which would give the center greater importance. As KOMMERSANT reported yesterday, the oblast administration has already drafted such a decree. However, Mr. Roketskiy denied that by doing so the oblast is attempting to induce Moscow to finance the center.

**Status of U.S.-Russian Trade Relations**

944Q0316B Moscow KOMMERSANT-DAILY in Russian  
14 Apr 94 p 3

[Article by Natalya Kalashnikova: "Investment Cooperation Between the Russian Federation and the United States: Americans Want To Feel at Home in Russia"]

[Text] *If you take into account that it is a statutory requirement of the American Chamber of Commerce not only to contribute to American business in Russia but also to "provide for communication with the Russian Government," yesterday's meeting (and it takes place once a month) may be considered to be program-defining. The board of directors invited Deputy Prime Minister Aleksandr Shokhin to speak. The meeting proceeded in the traditional American style: The negotiating table doubled as a dinner table. True, after Mr. Shokhin's 40-minute speech there were so many questions about Russian investment legislation that the deputy prime minister did [not] have a chance to "lunch."*

The American Chamber of Commerce, which has been operating in Moscow only since January, has begun to work with a knowledge of its task. Which is not surprising: Its board of directors includes representatives of the largest companies—from Coca-Cola to Caterpillar, from Johnson & Johnson to General Electric, from Philip Morris to Chase Manhattan. And the communication with Mr. Shokhin shifted from problems of Russian reforms and civil accord (he noted, in particular, that parliament's readiness to reach agreement with the government should be revealed as early as Friday—during the discussion of the draft budget)—to questions related to business in Russia. Here too, as the deputy prime minister noted, on the one hand, Russia cannot use the old Soviet laws, and on the other—business conditions cannot be changed frequently. In this connection he recalled Boris Yeltsin's September edict which introduced a three-year moratorium on changing legislation regarding foreign firms operating in Russia. Other laws will also have to wait their turn—in a couple of days the civil code ("the most productive economic document") will be submitted to the State Duma, and the government's immediate plans include laws on the banking system and foreign investments. From the podium of the American Chamber of Commerce the deputy prime minister presented an initiative to introduce one more moratorium. This time regarding state structures that handle foreign investments and redistribution of duties among them: "Or else we will all be 'improving' the structures but the investor, in confusion, will not even know with whom he is dealing."

The questions from the businessmen showed one thing: Americans, even those who have firmly set their feet on Russian soil along with their capital, cannot understand precisely what it is here that does not coincide with their native laws. For example, why their commercial banks

and insurance companies are not given freedom in Russia. Mr. Shokhin had to explain that one strong insurance firm from the United States is capable of crowding out practically all similar Russian ones in a year. And in response to the obvious desire to feel at home in Russia (from the standpoint of laws) the businessmen had to hear many reproaches against their own authorities as well. The laws of the United States, according to Mr. Shokhin's estimate, contain up to 260 discriminatory restrictions against Russia. Bill Clinton promised to abolish them back in Vancouver. In Russia they expected that this would be done by a single act ("restrictions regarding the USSR do not apply to Russia"), but "in Congress they decided to study each case individually." One-third of them have been abolished, but the congressmen will have to work another couple of years on the rest of them. So Russian exporters to the United States will not soon feel that they are equal either.

[First box, page 3]

**Some Information from U.S. Investment Legislation**

- The United States does not require special permission or preliminary registration of investment operations. The national conditions envisioned for U.S. firms, as a rule, apply to joint companies.
- Federal laws prohibit foreign investors from owning or holding a controlling block of shares in corporations in the spheres of television and radio broadcasting, telegraph, and satellite communications systems, construction and operation of nuclear power plants and pipelines, extraction of mineral resources, and coastal or maritime shipping. Aid to foreign investors at the federal level is most frequently granted in the form of guaranteed loans.
- Supervision of the activity of foreign firms is provided by the Interdepartmental Committee on Foreign Investments (consultative agency) which is answerable to Congress. Monitoring of portfolio investments is the responsibility of the Department of Finance.
- At the level of the states and local agencies the finance department coordinates the activity of foreign capital and leaves monitoring up to the states. A number of states have programs for attracting investments and more than 20 have missions in Europe. [end box]

[Second box, page 3]

**American Investments in Russia**

There are 953 Russian-American joint ventures registered in Russia and the proportion of American capital in them is 46.3 percent. Including in the sphere of new technologies and the petroleum and gas complex—44 joint ventures. Moreover, 327 enterprises with a total authorized capital of \$2.3 billion belong completely to U.S. investors.

**Some joint projects:**

- The Kirov plant, Uralmash, and the ZIL Joint-Stock Company are working with Caterpillar on the creation of a machine-building product (electric generators for drills, internal combustion engines, trucks, and prime movers)
- With IBM and American Airlines they are developing a system for control of airline shipments (it is to replace the currently existing Sirena)
- The Mosmed Joint-Stock Company and Baxter—a joint venture for producing surgical instruments
- The AKRKhIN Joint-Stock Company (Russia) and Bristol-Myers—production of cardiovascular medical preparations
- The Novomoskovsk Household Chemical Plant and Proctor & Gamble—production of household chemicals and detergents. [end box]

**Joint Ventures Protest Tax on Word 'Russia'**

944Q0316A Moscow KOMMERSANT-DAILY in Russian  
14 Apr 94 p 3

[Article by Marat Salimov: "Briefing of the Association of Joint Ventures. The State May Take Back Its Words"]

[Text] At a news conference of the Association of Joint Ventures, International Associations and Organizations (ASP MOO) held yesterday it was announced that foreign investors are raising doubts about the possibility of continuing to operate in the Russian market. This reaction followed the introduction by the State Tax Service of fees collected from joint ventures for the utilization of phrases that contain phrases with words derived from the word **Rossiya [Russia]**.

This financial obligation was placed on joint ventures by the State Tax Service on the basis of the Law "On the Fee for Utilization of the Names 'Russia,' 'Russian Federation,' and Words and Phrases Based on Them," which took effect in 1993. Initially the fees were imposed on enterprises using these words and phrases as a private name. But in a letter of 14 February the State Tax Service made it incumbent on regional tax inspectorates to collect the fee from all joint ventures, since their registration documents where it indicates the country to which the enterprise belongs contain words derived from the word Russia. Further, so that no confusion will arise, the State Tax Service explained after the fact (28 March) that the fees are being collected from joint ventures because the rule concerning the use of phrases including the words "Russia" and "Russian Federation" as a private name had been abolished by it. Moreover, in addition to payment of fees for 1993, a fine of three times the amount of the sum of the fees was imposed on joint ventures. Typically, all these actions of the State Tax Service were approved by the Ministry of Finance.

The leadership of the ASP MOO was able to arrange a meeting with representatives of the government in which they discussed the question of the legality and expediency of establishing the fees. As a result of the conference held yesterday in the government with the participation of representatives of the association, a decision was adopted to consider the justification for the collection of these fees. The instructions of the government commission that has jurisdiction over these questions was signed by Deputy Prime Minister Aleksandr Shokhin. Nonetheless, the time periods for overriding the decisions of the State Tax Service are still uncertain. At the news conference held by the ASP MOO after the government conference its leaders characterized the establishment of fees from joint ventures as "unprecedented and extortionate." In particular, after the directive from the Russian Tax Service, one of the largest joint ventures, Lenininvest, was presented with a bill for a total of 600 million rubles. As the executive vice president of ASP MOO, Aleksandr Pavlyukov, said at the news conference, this kind of interpretation of the laws by the departments and the very nature of the application and introduction of executive acts "caused shock" among the foreign founders of all joint ventures. In his words, which sounded like the harshest warning, "If as a result of the deterioration of the investment climate in Russia the activity of the joint ventures is curtailed, this will entail a reduction of jobs and will completely halt the influx of foreign capital."

**TV-6, Turner International To Broadcast to FSU**

944Q0310A Moscow KOMMERSANT-DAILY  
in Russian 8 Apr 94 pp 1, 12

[Article by Natalya Osipova and Natalya Orlova: "Ted Turner Is Playing, TV-6 Is Showing"]

[Text] TV-6 Moscow is no longer content with the role of a Moscow company. By expanding its air space and planning to acquire the long-awaited status of a joint enterprise, TV-6, together with the Turner International company, wants to make itself known on the whole territory of Russia and in neighboring countries. A discussion will be held today at the board of the Council of Mayors of the Cities of Northwestern Russia on the idea of establishing a regional television studio on the basis of a TV-6 affiliate in Novgorod.

The condition of distressful expectation for TV-6 has been going on for more than a year now. However, in the words of Aleksandr Ponomarev, the general director of Moscow Independent Broadcasting Corporation (MNVK), the prolonged process of registering the Telecompany TV-6 joint enterprise can be concluded this very month. According to the contract, MNVK and Ted Turner Corporation (equal partners underscored by equal shares) are the founding parties. The Americans retain management, since they obviously have had more success in the business sphere than the Russian businessmen. However, the Russian side will establish program policy in that it is more familiar with the predilections of the viewing audience. Advertising policy

remains as before; therefore, it is unlikely that large commercial breaks will disappear from the air.

But there is also pleasant news—Eduard Sagalayev will head the board of directors, and he will have the last word in all debatable situations. Stuart Loory, now a CNN vice president, will hold the post of general director. Mr. Ponomarev expressed the Russian position: "We are creating a **Russian** telecompany with the participation of Americans."

For a long time, TV-6's problem was the imperfection of its technical equipment, as a result of which the reception of programs on the channel was poor, even in Moscow. This question finally will be resolved in the near future, inasmuch as, starting on 1 April, TV-6 will lease a communications satellite that will cover the entire territory of the former Soviet Union ((FSU)). After being transformed in this way from a local channel to an international one, TV-6 will spread out its television network from Vilnius to Almaty (and by the end of the year, to Vladivostok as well). For this, MNVK is concluding a contract with regional nonstate companies concerning the organization of ground-based receiving stations. (Already now a three-hour bloc of the television channel is being received in 20 cities, and the satellite will help increase the number of broadcasting hours up to 10.) A new transmitter of the platinum series by the famous American company Harris Allied, which will begin to operate on the Ostankino tower starting on 20 April, will finally improve the reception of programs in Moscow and nearby rayons.

The work is not limited to technical improvements. The managers of TV-6 also promised that by this autumn viewers will see several new Russian production programs on the air. Changes are also expected in the showing of movies—not only American films, but also European films should appear on TV-6.

But the best feature, documentary, and television films produced by the leading American film companies will be shown on the screens of Russian movie theaters a day before they are shown on TV-6. At a news conference in the Cinema Center, representatives of TV-6 Moscow told critics and journalists about the first such project—the film series "History Through Hollywood's Eyes." In the words of Michael Pippi, a member of the board of directors of Turner International, famous American films were used in the project that portray difficult times and major battles—"Watch on the Rhine," "Mutiny on the Bounty" (with young Marlon Brando), "Doctor Zhivago," and "Ben Hur." The film series will be opened by the Moscow premiers of the four-hour film "Gettysburg," adapted from the book of Pulitzer Prize laureate Michael Shaar "Angels of Death." The premiers will be held in the Motion Picture Center (30 April) and in the Amerikom Theater (1 May). Ted Turner himself played in the picture about the war between the North and the South: He heroically perished on the screen for three minutes, and he did this, in his own words, absolutely free of charge.

Fears were expressed at the news conference regarding the rental fate "of the picture that is splendid both in content and in performance," but "which will hardly do well in a videofilm market that is filled with fair films." Mr. Pippi noted that the American side sees this danger. However, Turner International Corporation is not betting on commercial success in Russia, but on the opportunity to "tell the Russians as much as possible about the history of America and Americans."

### MFER Requires Special Exporters To Use 'Authorized' Banks

94Q0310B Moscow *KOMMERSANT-DAILY* in Russian  
8 Apr 94 pp 1, 9

[Article by Dmitriy Simonov: "MFER Decision Could Lead to Bank War"]

[Text] According to a decision of the board of the MFER [Ministry of Foreign Economic Relations] of Russia, the accounts of all exporters of strategically important raw materials commodities must be transferred to 15 authorized banks. Special exporters received their list yesterday, and they are supposed to select their financial agent by 10 April of this year. Otherwise, their export certificates could be suspended.

[begin box]

#### List of Authorized Banks

- 1) Alpha-Bank,
- 2) Vozrozhdeniye [Revival],
- 3) Inkombank [Foreign Commercial Bank],
- 4) Kredobank [Credit Bank],
- 5) Mezhkombank [Intercommercial Bank],
- 6) Mosbiznesbank [Moscow Business Bank],
- 7) MEHATEP [Interbranch and Scientific-Technical Program],
- 8) Mosstroybank [Moscow Construction Bank],
- 9) International Financial Company,
- 10) Nezavisimost [Independence],
- 11) United Export-Import Bank,
- 12) Stroyinvest [Building Invest],
- 13) Stolichnyy [Capital],
- 14) TOKOBANK,
- 15) Moscow City Commercial Bank of Industrial Construction Materials

[end box]

MFER justifies its decision with the need to strengthen and streamline control over the custody of the receipts of special exporters (only oil and oil products for the time being). For example, Vladimir Koshel, chief of the main administration for the protection of state interests of the MFER, declared that to control special exporters through a large number of banks was for him personally "a task beyond my strength," and, therefore, only several representatives among the major banks were assigned. The "fact of the concurrence of the banks to sign an agreement with the MFER was the criterion for selection."

Of course, as it turned out, only these same 15 banks were acquainted with the text of the MFER agreement, which, as a result, ended up on the announced list. But, at the very least, this looks strange. For example, several major banks that specialize in servicing enterprises of the raw materials branches were not acquainted with MFER's intentions (and, consequently, they did not get on the cherished list) (among these are the Promstroybank [Industrial Construction Bank], International Moscow Bank, Imperial, Yugorskiy, Russian Credit, Surgutneftegaz [Surgut Oil and Gas], Yurga, Neftekhimbank [Oil and Chemical Bank], Zapsikombank [West Siberian Commercial Bank], and Tyumenpromstroybank [Tyumen Industrial Construction Bank]. Also absent from the list is the Vneshtorgbank [Foreign Trade Bank], which handles the accounts of almost 30 percent of the special exporters. At the same time, the little-known Nezavisimost Bank, which was only registered on 2 March of last year, was among the authorized banks, and also the Moscow Alpha Bank, which has a rather remote relationship to servicing special exporters (if, of course, it is not taken into account that Petr Aven, the chairman of the bank board, headed the MFER at one time).

However, as Mr. Koshel assured a KOMMERSANT-DAILY correspondent, the list of authorized banks is not final in nature. Thus, at the present time, allegedly, the Vneshtorgbank, the International Moscow Bank, and Imperial have already been added. Nevertheless, the exporters who are supposed to determine the selection of a financial agent do not know about this.

There is also another problem. In the course of the next day or two, the clients that are "moving" are supposed to notify their partners about new payment requisitions and also pay off credit indebtedness to the banks that service them. The process of the shift of clients to other banks can also be complicated by the fact that frequently the following item is included in contracts on account servicing: The transfer is possible only after the complete payment of debt to the previous financing agent.

Finally, it cannot be ruled out that the newly-fledged banks will not be able to observe one of the main normatives—sufficiency of capital. It is possible that it was this fact that troubled the Central Bank, with whom the announced list was not coordinated. In an interview with KOMMERSANT-DAILY, representatives of the bank, in particular, declared that, if the MFER decision

will not be revised, "they will publicize facts on some of their so-called authorized banks." To which Mr. Koshel responded that Dmitriy Tulin, a deputy chairman of the Central Bank, who led the discussions with the MFER, "either did not understand the employees of the ministry, or he is doing the bidding of banks that are not among those that are authorized." However, as became known, the Central Bank in principle is not against the idea of limiting the circle of banks that work with special exporters. Moreover, according to some information, the Central Bank is actively working on the compilation of its own list of their financial agents.

There is no doubt that differences exist among the departments, and also that the negligent attitude of the controlling structures toward legislation is stimulating yet another wave of bank wars for the right to service such a profitable clientele. In addition, there are a lot of volunteers for taking part in it and, probably, among the Russian officials, more and more of those will be found who give preference to one or another successful commercial structure. Understandably, the MFER made its decision under pressure no less than that which, in the words of Mr. Koshel, is being experienced today by Dmitriy Tulin. It is also understandable that lobbyist efforts of some banks will negate their appeals for a banking fraternity.

[begin box]

In the opinion of a high-ranking MFER employee, whom the KOMMERSANT-DAILY correspondent was able to contact, the adopted decision will not cause any serious damage to the development of exports and banking activity in Russia. All of the special exporters were notified ahead of time about the possibility of such a step by the government. As for the list of banks with whom the special exporters were authorized to interact, it, in the opinion of the MFER representative, is quite broad. Moreover, if any bank from among those that did not get on the list submits an application on the conduct of operations as a special exporter, the MFER will examine it without fail. The MFER representative also noted that the initiative for the adoption of the document did not come from the ministry, but from First Deputy Prime Minister of Russia Oleg Soskovets.

[end box]

#### Commentary

A reduction in the authorized banks that service the currency accounts of special exporters constitutes a long-standing dream of Russian currency controllers—everyone is trying to make life easier for himself. On 30 March at the last meeting of the governmental commission on current questions, Viktor Kunya, the head of the Federal Currency and Export Control Service, complained that the special exporters of oil each have several currency accounts even in Russian banks. But the MFER, cherishing a unified automated currency control system, at one time nurtured the idea of reducing the

number of authorized bank holders of accounts of special exporters to 10, and a pertinent draft even existed of an MFER agreement with selected banks. Later, it is true, the necessity for such an agreement disappeared, inasmuch as special exporters now, "at their own desire" submit information to the MFER concerning the movement of currency in their own currency accounts (which allows the ministry to get the right that is not given it by the law on currency regulation and currency control). However, considering the decision of the aforementioned meeting of the commission on current questions, which recommended to the Central Bank to establish by 1 May the authorized banks that will be granted the exclusive right to conduct currency operations associated with the export of oil and oil products, the MFER, apparently, decided to return to its old "compilation" and submit to the Central Bank an already preliminarily worked out list of banks. The final decision, of course, rests with the Central Bank.

In principle, the reduction in the number of authorized banks permitted to have the accounts of special exporters should be looked at in the overall context of reinforced currency control, which has been transformed, as KOMMERSANT-DAILY has repeatedly written, into a key element of foreign economic regulation. In addition, the administrative pressure that Russian exporters have long since felt on themselves, is now also being applied to commercial banks as well.

[Signed] Economic Policy Department

#### Customs Committee Issues New Restrictions on Importers

944Q0311A Moscow KOMMERSANT-DAILY in Russian  
12 Apr 94 p 2

[Article by Tatyana Korotkova: "Importers Are Deprived of Yet Another Tax Niche"]

[Text] The Russian State Customs Committee's new directive "On the Application of the Special Processing Customs Classification," which the directors of customs agencies received yesterday, is aimed, first and foremost, at clearly defining the framework in which the special processing classification is to be applied, and at stopping potential attempts to apply it inappropriately.

The State Customs Committee's directive is a temporary normative act that remains in force, as indicated in the Customs Code, until comprehensive regulations regarding the processing classification are promulgated. The new document specifies, in part, that goods may be imported for processing only by enterprises at which processing operations are included in the normal production process. And goods subject to excise tax may not be considered goods for processing at all. Moreover, if goods imported for processing are placed into free circulation on the internal market (which is permitted), a duty, the value-added tax and a special tax must be paid.

In the opinion of experts, the special processing customs classification is not particularly relevant to Russia at present, given the present capabilities of its production branches. Experience indicates that Western partners are interested in processing goods at Russian facilities only when what is involved are hazardous production processes that are restricted or banned altogether in most developed countries. Therefore, when goods are brought into Russia for processing, what is usually involved is the importation of waste products of the chemical industry or nuclear power engineering. However, even without the special directive, operations to process such goods may be carried out only after special permission (a license) is received from the Ministry of Foreign Economic Relations. At the same time, it is no secret that the special processing classification has often taken the place of the temporary importation classification, especially since the introduction of procedures requiring mandatory advanced payments when various property is imported on a temporary basis (for a period of up to one year). On the other hand, in the absence of a normative basis, the special processing classification has been used as a niche for evading excess taxes when goods subject to excise tax were imported. For example, the ordinary decanting of alcohol from barrels into half-liter bottles was called processing. So now importers have lost the possibility of utilizing the processing classification, under which customs duties are not collected, in order to relieve their tax burden.

#### Some Mandatory Conditions for the Importation of Goods Under the Special Processing Classification in Accordance With Directive No. 01-12/74 of the Russian State Customs Committee

- Goods are imported into Russia for processing by the enterprises that directly carries out the processing operations, and are produced in accordance with the enterprise's usual production process.
- The goods imported for processing are not subject to excise tax.
- The level of customs duties on the goods imported for processing does not exceed 100 percent of their value.
- The processing period is no longer than six months.
- The enterprise submits a pledge to a customs agency that the products of processing will be re-exported in accordance with customs export regulations.

#### Financial Planning Center To Promote Foreign Investment

944Q0311B Moscow KOMMERSANT-DAILY in Russian  
8 Apr 94 p 2

[Article by Vadim Bar[surname partially illegible]: "Agency for Supporting Investments Established"]

[Text] In accordance with a government decree "On the Organization of Work With Foreign Investments and on Consulting and Technical Assistance," which was received yesterday for official distribution, a federal project financing center is being established under the Ministry of Economics. Thus, there is now

a federal agency that will assume the functions of translating Russian projects for attracting foreign investments into a language understandable to Western financiers.

Foreign investments are not enjoying good fortune in Russia. First of all, they entail very considerable political risk: events last September and October, the results of the 12 December elections, and the reversals associated with the recent amnesty act are all things that do not dispose people to invest money in a "base" that has a "superstructure" of that sort. Second, Russian inflation and taxes are ardently competing with one another in rendering any investment activity altogether meaningless. Third, the country is not following any purposeful policy for attracting foreign investments, the lack of which is reflected in the absence of any economically backed priorities for attracting them, and of an appropriate organizational basis for doing so. It is no surprise that, according to data on the Russian balance of payments, the amount of direct foreign investments dropped from \$800 million in 1992 to \$600 million in 1993.

For all practical purposes, the new federal center has been established in place of the Russian Agency for International Cooperation and Development (RAMSIR). For all the importance of pre-investment research and the expert review of proposed financing arrangements, the replacement is plainly not an equal one. Technically, RAMSIR has not been abolished, and no one has removed Aleksandr Shokhin, who has again become a vice-premier, from the office of the agency's chairman. In essence, the division of RAMSIR between the Ministry of Foreign Economic Relations and the Ministry of Economics has been completed: the Ministry of Foreign Economic Relations has formed a chief administration that is concerned with investment cooperation, i.e., with the construction of facilities in Russia (and that has no direct relation to foreign investments), while the Ministry of Economics has formed the federal center. And the investors themselves, while acquiring an agency for the "provision of expert consulting support for investment projects," have lost an official defender of their interests in the Russian government.

The establishment of the center also indicates that, under conditions in which the attraction of direct foreign investments has not been crowned with success, reliance can be placed on investment credits. If that is the case, the center possesses certain weaknesses, since it acts only as a state middleman in bringing investment projects up to the stage of implementation. But those same functions, in principle, should be performed by banks that undertake the financing of projects. In this connection, one may recall the postponed project for establishing a

specialized project financing bank with a network of branches throughout Russia.

[Begin box]

#### **Government Agencies Specializing in Foreign Investments:**

End of 1992—Russian Agency for International Cooperation and Development (RAMSIR), as an agency for the development and implementation of a policy for attracting foreign investments, headed by Vice-Premier Aleksandr Shokhin (the statute on it was confirmed by a 12 December 1992 government decree).

January 1994—RAMSIR, with the clearly reduced but little-understood status of a "state institution," is transferred to the jurisdiction of the Ministry of Foreign Economic Relations (the 10 January 1994 presidential edict "On the Structure of Federal Agencies").

March—the functions of attracting foreign investments, including pre-project studies, are assigned to the Ministry of Economics (a 28 March 1994 government decree).

April—the Project Financing Center is established under the Ministry of Economics (4 April 1994 government decree "On the Organization of Work With Foreign Investments and on Consulting and Technical Assistance").

[End of box]

#### **Gasprom Deal Shows Reviving Trade With Finland**

##### **Gas Pact Implications Viewed**

94EN0281U Helsinki HUVUDSTADSBLADET  
in Swedish 13 Mar 94 p 6

[Article by Katarina Koivisto: "Neste's Natural Gas Unit To Become Gasum—One-Fourth of the Firm Will Be Russian Owned"]

[Text] The Russian gas company Gasprom is paying about 250 million markkas for a 25-percent interest in Neste's natural gas unit. The agreement giving Gasprom one-fourth of the natural gas unit, which will be incorporated at the same time under the name Gasum, was signed on Saturday [12 March] while Russian Prime Minister Viktor Chernomyrdin was visiting Neste. An agreement on increased gas imports from Russia was signed at the same time.

Imatran Voima [IVO], the other state-owned energy company, also signed an energy agreement with Russia on Saturday. IVO signed a framework agreement to modernize and improve a total of 16 thermal power plants and their related district heating systems in the area around St. Petersburg. The agreement calls for work worth close to 1 billion markkas.

The Russian gas company Gasprom is the world's largest producer of natural gas, and it has already bought shares in other Western gas companies—in Germany, for example. Gasprom's purchase of Neste's natural gas unit is completely in line with the concept governing the firm's activities in the rest of the world, says Rem Vyahirev, Gasprom's chief manager.

The Gasum Corporation will begin its activity on 1 May this year and will operate as a subsidiary of the Neste Group. Plans also call for listing Gasum on the stock exchange, but that will not happen for at least a year—after the company has produced its first balance sheet, says Neste President Jaakko Ihmuotila.

Gasum's balance sheet will total about 2.5 billion markkas, and its capital stock will amount to 40 percent of that amount, or about 1 billion markkas. Gasprom is therefore subscribing to 25 percent of the stock.

Gasprom became a part owner of Gasum at Neste's initiative, says Ihmuotila, who says the fact that the gas supplier is also a partner in the sales and distribution firm represents a strengthening of the Finnish natural gas market.

"It guarantees us an uninterrupted supply of gas," said Ihmuotila, who pointed out at the same time that guaranteed deliveries have never been a problem in the past either.

#### New Transport Capacity

Ihmuotila predicts that by the turn of the century, natural gas consumption in Finland will have increased 50 percent over its current level of just over 3 billion cubic meters per year. Under the import agreement signed on Saturday, imports from Russia will rise to just above 4 billion cubic meters per year over a 20-year period.

Increased imports mean that transport capacity from Russia and within Finland will also increase: A new compressor station north of St. Petersburg and a parallel pipeline from there to the Finnish border are planned. Planning is also under way for a parallel pipeline between Imatra and Lappeenranta and from the latter locality to Kouvolan and Mantsala.

#### Door Open to Norway

Neste estimates that Finland's annual natural gas requirement could rise to nearly 8 billion cubic meters per year if the Finnish gas pipeline is extended to the west coast and if natural gas is also used to produce electricity. An option on further imports from Russia is included in the agreement signed on Saturday, but Neste also wants to keep the door open for gas imports from Norway. The Finnish Government also says that a second source of natural gas is necessary if the gas network is to be expanded.

The Russian interest in Neste's Gasum does not markedly alter the Nordic gas picture. Both Finland and

Norway are still waiting for Sweden to reach a decision on natural gas so they will know whether a pipeline can be built to Sweden's Uppland coast. That pipeline would then link up with the pipeline being extended to Uusikaupunki on the Finnish side.

No political decision is expected in Sweden before this fall's election, but Swedish industry may very well take the initiative in introducing natural gas imports from Norway. Industry wants to ensure its supply of energy even if Sweden goes ahead with plans to phase out nuclear power.

A Nordic gas pipeline would also suit Gasprom and the export firm Gasexport because it would open up the possibility of exporting Russian gas to Sweden as well.

The Norwegians and the Finns are both hoping for a relatively quick decision by the Swedes. The Norwegians must decide whether to extend their gas pipelines further south in the direction of Central Europe, where there is a big market. For their part, the towns on Finland's west coast, which are potentially big gas consumers, will soon have to make decisions about their future energy supplies.

The increased quantities of Russian gas that Neste agreed to on Saturday will be used mainly by combined power and district heating plants, where they will replace coal as an energy source.

Gasprom, which was formerly a state-owned Russian firm, is now a corporation in the process of being privatized. Some of the stock has been sold to employees, and some has been bought by the regional gas companies that all deliver their gas through Gasprom. Last year nearly 100 billion cubic meters of gas were exported, and the company plans to increase its exports beyond that.

#### IVO To Be Paid in Coal and Oil

For its part, the agreement that Imatran Voima signed on Saturday to modernize Russian power plants will improve energy efficiency and reduce effluent at power plants in our near vicinity. IVO had previously participated in mapping out the possibilities for modernizing power plants in neighboring areas.

"Financing is always a tough problem, and we are doing what we can to help find alternative forms of payment," says IVO Vice President Anders Palmgren. Under the terms of Saturday's agreement, the Russian partner will pay for the modernization of the power plants using the energy raw material that is saved as a result of that modernization, meaning primarily oil or coal. The projects will also be paid for partly in electricity exports. Palmgren says that exchange or barter arrangements of many different kinds may be considered.

IVO's agreement to import electricity from Russia through the end of the century is not affected by Saturday's agreement. Palmgren says that a possible extension of that agreement will not be discussed before 1997.

### Uncertain Outlook for Extension

94EN0281V Helsinki HUVUDSTADSBLADET  
in Swedish 18 Mar 94 p 9

[Article by Katarina Koivisto: "Nordic Natural Gas Network 'Utopia'"]

[Text] Sweden will be able to develop its natural gas network only on the basis of strictly commercial principles, and if those principles are followed, it will not be possible to make natural gas pay its way. That makes Sweden the missing link in a Nordic natural gas network, and a network supplying Finland with Norwegian natural gas will not come into being.

That is the conclusion drawn by Danish researcher Niels Moe of the Trade and Technology Development Board (NUTEK) in Stockholm.

Moe has drawn up a report for the Nordic Council of Ministers on "energy policy as planned and in actuality in the Nordic countries." The views in that report are Moe's own, however, and were not discussed by the Council of Ministers.

And disagreeing with Moe completely is the Council of Ministers' information group on gas issues, which is to submit a report of its own to the council next fall. The attitude toward a Nordic natural gas network is more positive within that group. It feels that there is in Sweden a disguised energy requirement that is not yet being talked about because many questions surrounding the phasing out of nuclear power are unanswered. At any rate, more and more political initiatives in favor of natural gas are now appearing in Sweden.

Niels Moe also notes in his report that the political attitude toward natural gas has recently turned more favorable in Sweden. But while it is easy to show political will, it is an entirely different thing to actually implement a decision on natural gas, he says.

"As I see it, the matter has actually already been decided," says Moe. "There will not be a Nordic natural gas network. A gas network requires new infrastructure, Sweden is big and sparsely populated, and it is very hard to make gas pay today. It is not enough to express political will; one must follow up those expressions of will with other measures."

### No Champion

At the moment, there is no champion—no company or combination of companies—that would exploit natural gas in Sweden. Getting a gas project going in central Sweden would require such a champion, and if no Swedish champion can be found, there may be a possibility that foreign interests would step into the Swedish natural gas market.

The advocates of natural gas feel that the entire gas issue must be looked at from a longer perspective, even though concrete decisions are gradually becoming more and more urgent. The Norwegians will be forced within a couple of years to decide where to export gas from the new Haltenbanken field: to the Nordic Region or to Germany and Central Europe.

The possibility that the Nordic countries will join the European Union (EU) is also placing the gas issue in a new light. The EU is offering support for the construction of new infrastructure, meaning, for example, a gas pipeline. The same support may be considered for Finland when the decision on a pipeline from the Stockmanovskoye field in northern Russia is made.

### No Market in Sweden?

Niels Moe is very pessimistic about the Swedish market for gas. There is no market in Sweden that would be big enough even if electricity production were based on natural gas, he feels. In today's situation, a Nordic natural gas network amounts to unrealistic wishful thinking.

It is not just the Swedish market for natural gas that is too small, according to Moe. There is also a possibility that natural gas use in the network already developed in Finland will not be as high as expected. In a situation of free competition, there may be many suppliers in Finland offering cheap energy—district heating plants and thermal power plants, for example—to today's big users of natural gas. The government's policy of facilitating the market position of gas through environmentally motivated energy taxes may improve the position of gas, Moe says.

Moe also discusses Finland's other energy sources in his report, pointing out that Finland has an all-round supply with many different energy systems and a concentration on many different fuels that, combined with a well-developed district heating system, provide it with good opportunities for converting to environmentally friendly energy systems. But Finland's rejection of additional nuclear power will cause discharges of nitrogen, sulfur, and carbon dioxide to increase.

Finland has supported the use of domestic fuels such as peat, Moe notes in his report. But with a deregulated energy market in Finland, the danger exists that firms will choose the cheapest way to produce energy, and in today's price situation, that favors the use of oil and natural gas over domestic fuel production.

**Energy Seen Long-Term Key**

94EN0281W Helsinki HUVUDSTADSBLADET  
in Swedish 18 Mar 94 p 9

[Unattributed article: "Russian Trade Revives"]

[Text] Over half of Finland's imports from Russia still consist of some form of energy, according to the Customs Department's trade statistics for last year.

Trade between Finland and Russia last year again rose above its 1991 level, and Finnish exports to the East consisted mainly of machinery, equipment, and means of transportation. Those exports exceeded 6 billion markkas in value and accounted for a total of 4.5 percent of our foreign trade. For its part, the value of Finnish imports from Russia was close to 8 billion markkas.

Exports of machinery and equipment to Russia were twice what they were the year before, accounting in total for nearly half of Finnish exports. The most important single export items were telephone and radio sets.

Food exports to Russia tripled last year, and one-fourth of all Finnish food exports go to Russia. Beverage and food exports exceeded 1 billion markkas last year, and nearly one-fifth of those exports consisted of fruit and vegetables.

The slowest growth last year was recorded by the textile and garment industry. Clothing purchases for Russia totaled just over 120 million markkas, while shoes accounted for nearly 110 million markkas.

Energy continues to dominate Finnish imports from Russia, although petroleum quantities are below the levels achieved during the peak years in the late 1980's. Petroleum imports last year were at the same level as in 1992: approximately 3 billion metric tons, or about one-third of total imports.

Imports of natural gas have increased and account for one-fifth of total imports, while coal stands just under 5 percent and direct electric current accounts for nearly 10 percent of imports. Timber accounts for over 10 percent of total imports. Timber imports, mostly in the form of logs, are rising steadily.

**More Japanese Poaching in Waters Near Kurils Observed**

944Q0319A Moscow KOMSOMOLSKAYA PRAVDA  
in Russian 20 Apr 94 pp 1, 2

[Article by Sergey Avdeyev, KOMSOMOLSKAYA PRAVDA correspondent: "Japanese Operating Illegally in Russian Waters. Lieutenant Colonel Oleg Petrov: The Kuril String Has Been Stretched to Breaking Point"]

[Text] South Kuril Islands—On the evening of 15 April two Japanese fishing schooners burst at terrific speeds into our territorial waters and, taking into account the power of additional mounted motors, rushed to the

southern shore of the island of Kunashir. They penetrated five and seven miles deep into our territory. It was little more than a mile to the shore. The radar stations at border observation posts fixed the place of entry and information about the violators was sent to a patrol helicopter.

The commander of the helicopter crew turned his vehicle around and began to pursue the targets. On the radar monitoring lines there was a large amount of interference suddenly out of nowhere and a couple of minutes after entering the zone of the violation the helicopter crew saw only the rapidly moving targets headed back to the shores of Hokkaido and they were forced to report that, as always, the violators got off free.

Along the border in the Japanese territorial waters 15 more boats like these stood waiting under the protection of a ship of the UBM—Japan's administration of security in the sea.

On that same morning there had been another such entry of Japanese ships into our territorial waters. Again two helicopters from the South Kuril Border Detachment base flew out in response to the alarm. But they did not manage to apprehend the violators either. And through channels of Japan's diplomatic department came information about Russian helicopters firing on Japanese schooners. During the night the helicopters again flew out to make an arrest and again returned empty-handed.

During a meeting the detachment chief, Lieutenant Colonel Oleg Petrov noted in passing that the Japanese had made four such trips during the 24-hour period. "They wait us out until we are tired." He had almost no doubt that yesterday's violation was purely to provoke us. The radar interference, in Petrov's opinion, was most likely created by the ship's guard. "The Kuril string has been stretched to breaking point," he said. "And the problem will not go away of its own accord...."

The end of April marked the beginning of the fishing season in the South Kurils. The border guards scheduled their operation "Fishing Season-94" to coincide with that. And although protection of the fish stocks in Russia's economic zone is a part of the daily duty of our border guards, during this period they increase the number of ships and flight-hours in the "crime" zone and work practically without resting.

During the past year alone in the zone covered by the South Kuril Border Detachment 9,000 illegal crossings of the state border of Russia were registered. The damage from the "industry" of Japanese poachers amounted to \$160 million.

It usually goes like this: The schooner goes two or three miles into our waters, drops nets during the night, and returns to get them at dawn. The fish inspectors take something out of the rigging, the border guards take something, but most frequently the poachers leave with their catch. And they fish in the preserves and spawning

regions. After this the crab and red fish will not reproduce here for a couple of years.

In Krabovaya Bay on Shikotan I met the captain of the Japanese schooner *Yukimaru-68*, Mr. Keiichi Noto. Rather, he should be called citizen, since he was under investigation by the local procuracy, was wounded in the leg by a Kalashnikov during his arrest, and his ship is among 20 others of the same kind that were being held at the facility of the outpost. For the first time in the entire history of our relations, at the request of the city of Nemuro the Ministry of Foreign Affairs of Russia permitted him to meet with his relatives and a doctor from Japan.

The snow white ship of the "neighbors" border guard dropped anchor in an out-of-the-way place in the bay and Noto's father, his wife, and his wife's brother boarded the border cutter to see citizen Noto. Our border guards transferred about a dozen and a half boxes of groceries from one vessel to the other. Noto was calm and self-confident. Even if our court were to sentence him for poaching and violating the State Border (which, for some reason, happens extremely rarely), Japan's legislation does not envision any punishment for such acts; they consider Russia's territorial waters to be alien territory. It is worse if they do their poaching at home—then they take away not only the fishing license but also the schooner and the fishing equipment.

In the district of Nemuro, which borders on Yuzhno-Kurilskiy Rayon, there are more than 5,000 small fishing vessels. And only 39 of them have licenses to fish in our waters. They have exhausted their own fish stocks and prices have increased severalfold. And here the richest stocks have not been touched: The Russians are either dividing up quotas or looking for diesel fuel—but they do not fish at all. The free goods beg to be taken. The more so since one trip is quite enough to pay for the rental of a schooner and you can live for a whole year on the money you earn. A significant proportion of Nemuro's economy, according to our specialists, is made up of income from poaching in Russian waters. Practically all of this industry is controlled by the Japanese mafia—Yakuza.

Recently the border guards have been dealing with the overdue problem as never before. The government has issued them a little fuel, the law has more or less untied their hands and allows them to use force where needed. But what does force mean in this complex, not so much economic as political situation? We flew around the regions of the Minor Kuril Range in an airplane and helicopter and we saw one completely covered schooner—all the numbers and the name were covered up, and even the outline of the ship was concealed by a tent. It was clearly a poacher. He would defend himself to the death from the inspection group. If boarded, they would fight.

And in order to photograph it we barraged the sea for a half hour in hedge-hopping flight. Each hour of flying

time, incidentally, costs almost 2 million rubles. Naturally, there are weapons on board. And every time as soon as our craft flew up to the border a pair of Phantom fighters would take off from the Japanese base and fly parallel to us.

Is it a long way from political standoff to military-political conflict...

"It is unreasonable to keep such large forces here just to fight against poachers," many sober-minded border guards said. "We could protect the border at a smaller price. We just have to reach an agreement with our neighbors. If they have no fish—let them fish here for now, but for money. Our fleet is standing idle anyway. So sell them licenses, assign them quotas, and designate the regions for temporary fishing. They will agree to this, believe me. And somewhere here we can look for a solution to the problem of the 'northern territories' as well."

As distinct from politicians, border guards also do work. They do not want to feed the Japanese mafia. Just because of their barrier the Japanese for the first time this year appealed to the Sakhalin administration to sell them fish.

Incidentally, when Japanese Foreign Affairs Minister Butomo Hata was in Moscow, poachers' schooners made no trips into our waters at all. And now they say that Mr. Hata is aspiring to be prime minister. Can we really not work something out?...

...The day on which the ship carrying Captain Noto's relatives arrived in our waters in the Kurils was quite calm. But as soon as the ship departed during the night two helicopters again had to respond to the alarm: another raid in a manner traditional for poachers. We flew into the region where the violation was committed and after a couple of minutes of observation saw how two high-speed schooners were rushing out of our territorial waters. The border guards' ship was too late again.

#### North Korean Military Motives Mulled

944Q0313A Moscow *NOVOYE VREMYA* in Russian  
No 15, Apr 94 (signed to press 12 Apr 94) pp 38-39

[Article by Leonid Mlechin: "Kim Il-song Dreams of Getting Along With the Americans: And They Are Squeamishly Turning Their Backs on the Old Dictator"]

[Text] The Korean crisis has been engendered by the West's incapacity for understanding what is going on in the minds of the communist leaders.

The Korean nuclear crisis could be terminated in two instances: if Kim Il-song departs this life or if the United States conceives a desire to come to terms with Pyongyang.

**What Is Driving the Great Leader?**

Being a dictator is good for the health. The great leader Kim Il-song was 82 on 15 April, and he is sound in body and mind. He has kept politicians guessing for almost a year: Does Kim have a nuclear bomb or not?

Meanwhile, the armies of both Koreas have been put on alert. A battalion of American Patriot air defense missiles, which from the experience of the war with Iraq in the Persian Gulf are considered the most dependable means of combating Scud ballistic missiles, is being transferred to the south of the peninsula. A Patriot battalion means approximately 200 missiles and 850 service personnel. The missiles will be deployed so as to ensure cover for military airfields and ports, at which American ships with reinforcements would call, in the event of an attack from the North.

The appearance of the Patriot missiles is being perceived in Pyongyang as preparation for aggression. North Korea has declared that if it is threatened, war will begin.

The West is captive to false alternatives and is deciding what is more dangerous: permitting North Korea to create its own nuclear weapons or organizing a second Korean war.

Everyone is asking: What is driving Kim Il-song? To what end is Pyongyang making the whole world, virtually, its enemy? What does Pyongyang need an atomic bomb for?

Do the North Korean leaders believe that it is possible, finally, with the aid of a bomb to complete the great cause of the country's unification?

Or are the Pyongyang leaders driven by fear? And they need the bomb as a guarantor for their own survival in a world in which there are virtually no islets of real socialism left?

**Blackmail**

Meanwhile, Kim Il-song's aim is obvious. He is blackmailing South Korea and in actual fact appealing to the United States. He needs full diplomatic recognition and, possibly, some material assistance. He wants to leave his son and heir, Kim Chong-il, a stable country in more or less favorable international surroundings. But Kim Il-song is not in a position to say plainly what he wants.

He retains the hope that Washington will succumb to blackmail, and for this reason everything moves in a closed circle.

The DPRK declared that it would withdraw from the Nuclear Nonproliferation Treaty, then stayed put, all the same, and is now once again threatening to pull out. IAEA inspectors were asked to leave the DPRK, then they were admitted, kicked out once again, and again invited back. The United States agreed to negotiations with the DPRK, then refused, agreed once again, and once again refused.

The United States, by all accounts, does not wish to soil its hands and conclude some agreements with Kim Il-song. North Korea is of no key significance for world or even regional policy, and Washington has decided, it has to be assumed, that it can perfectly well wait for the great leader to depart this world and for some changes in the country to begin.

The United States is setting prior conditions for Pyongyang: an exchange of envoys between North and South and agreement to the inspection of the nuclear facilities. When Pyongyang declined an exchange of envoys, the anticipated Geneva negotiations between representatives of the United States and the DPRK were canceled.

**Is There a Bomb?**

All this notwithstanding, Kim Il-song is undoubtedly dreaming of his own nuclear bomb. In what way is he worse than Stalin or Mao, who saw the possession of nuclear weapons as the basis of their power and influence?

American specialists maintain that the DPRK already has one or two nuclear weapons. But there is no proof of this claim. China's composed attitude toward the situation on the Korean Peninsula is explained, possibly, by the fact that Beijing's leaders, who are better informed as to Pyongyang affairs than anyone, know that Kim Il-song has no bomb.

Pyongyang is refusing to admit experts of the IAEA to the radiochemical laboratory that, it is believed, is engaged in the enrichment of plutonium. This is giving rise to suspicions, but this is only indirect evidence. We know of the mania for secrecy characteristic of all socialist regimes. In addition, if it is ascertained that there is no bomb, Kim Il-song would be left looking like a fool. He would like to avoid this unpleasant affirmation.

It is hard to imagine that North Korea, where intellectual potential has been destroyed for decades, is capable of providing itself with nuclear weapons. Had a nuclear explosive device been created, Kim Il-song would be in a hurry to test it to convince himself of the success. And all nuclear tests are easily recorded.

**Jealousy**

South Korea, which is jealously keeping an eye on the Pyongyang-Washington contacts, is not behaving all that prudently. Seoul does not want the North Koreans to come to an agreement with the Americans behind South Korea's back.

Amazingly, even the South Koreans harbor some illusions in respect to the Kim Il-song regime. Seoul completely misunderstands the mentality of socialist leaders. For example, Seoul is talking about an internal power struggle in Pyongyang and seriously expects that on 15 April, Kim Il-song's birthday, the DPRK will announce the start of economic reforms per the Chinese model.

Seoul is sincerely calling on Pyongyang to open up to the world in accordance with China's example. This, the southerners are urging on the northerners, could help them obtain the recognition of the United States and Japan and attract foreign capital investments....

Some Americans believe that the DPRK needs to be threatened a little and that it needs to be shown that the United States is not afraid of war and will not succumb to blackmail. Any other behavior will merely encourage Pyongyang, creating among Kim Il-song and his entourage a false sense of success in the struggle against world imperialism.

The Americans like to recall that in 1950 the young Kim Il-song made up his mind to strike at the South after Dean Acheson, secretary of state of the United States at that time, had in a speech delivered on 12 January at the National Press Club withdrawn the Korean Peninsula from the territory protected by the United States. It was decided in the North that Washington would not intervene in a Korean war and would not come to the South's assistance. As a result the United States had to fight for three years to restore the lost territory to the South.

#### Seoul in Tank Pincers

Memories of that war are still alive in Washington, and the American military is now discussing the possible course of a new war.

Two-thirds of the 1 million-strong North Korean Army are concentrated along the 100-km demilitarized zone separating North and South. The North's long-range artillery could shell Seoul. Lt. Gen. James Clapper, chief of the Pentagon's intelligence agency, gave the combat readiness of the Korean People's Army high marks, saying that it would attack the South before the latter was ready to repulse it.

The American military believes that Generalissimo Kim Il-song, promising to turn South Korea into a "sea of fire," intends to repeat the 1950 experience—throwing the American-South Korean forces into the sea before reinforcements can arrive in time from the United States.

Mobile units of the Korean People's Army, military specialists forecast, would attempt with a swift push to break through the South's defenses and capture Seoul and the ports in order to prevent the approach of reinforcements. The forward units of Kim Il-song's army are composed of an armored strike force of 3,500 tanks, 4,000 infantry fighting vehicles, 8,000 self-propelled artillery pieces, and 2,500 missile launchers (Katyusha-type).

An attack would be preceded by artillery preparation, the purpose of which would be destruction of the South's defensive infrastructure. Aviation would strike at airfields, munitions dumps, and barracks. Having broken through the fortifications and having made use of the tunnels, which, it is believed, Kim Il-song's people are digging continuously beneath the demilitarized zone, North Korean tanks and motorized infantry would rush deep into the country. Phase two of the operation would be the encirclement of Seoul and the capture of the rest of the peninsula.

#### What Is Pyongyang Thinking?

The success of the Korean People's Army could, however, be hampered by the low operational skills of the officers, who devote too much time to study of the ideas of chuche, and a shortage of fuel.

But all this is speculation. No one has any real information about the situation in the North Korean Army or knows the extent of its combat capability, mobility, and provision with ammunition and fuel.... And no one is giving any thought to the effect this debate is having on the North Koreans, who believe that they have for half a century been living in a besieged fortress.

The prolonged escalation of mutual military preparations could perfectly well lead politicians on both sides of the demilitarized zone, which has separated North and South since the times of the Korean War, to break under the strain and to decide to strike first.

The South Koreans are already demonstrating to the world that their patience is exhausted.

"We have no intention of debating indefinitely," Song Yong-de, head of the South Korean delegation at the negotiations with the North, declared. "I would not even want to say what will happen if the nuclear question is not properly resolved."

Yet it is not hard to guess the feelings with which Pyongyang read the reports to the effect that more than 2,000 radical South Korean students organized a demonstration in the center of Seoul against the deployment of the American Patriot missiles. What dreams are evoked by the antiwar demonstrations in South Korea among Kim Il-song's elderly associates, the majority of whom have never been abroad and who derive all their information from secret reports of the Ministry of Public Security? Does it not seem to members of the Politburo that the long-anticipated uprising in the South, which should be supported by a rapid armored strike, has, finally, begun?

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